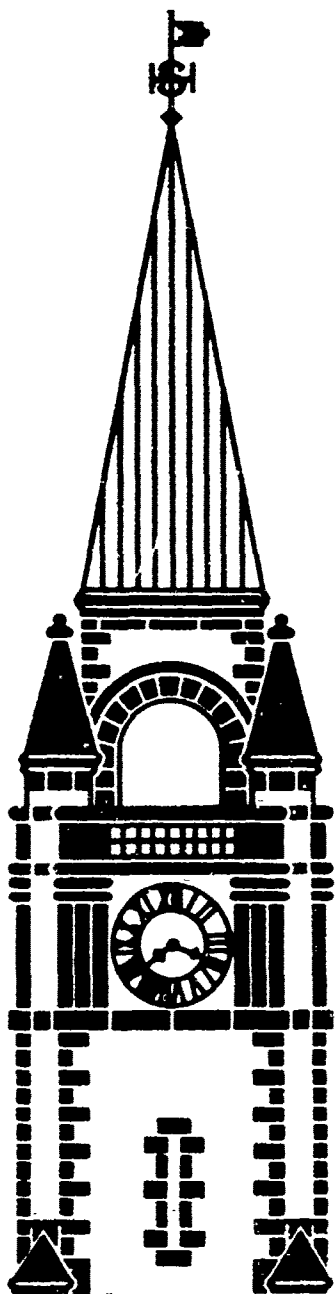


MARKET POTENTIAL
OF
DOWNTOWN CHEYENNE

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Prepared for:
Wyoming Industrial Siting Administration
City of Cheyenne, Project Coordinator

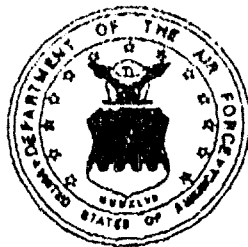
In Cooperation With:
Downtown Development Authority
Cheyenne Downtown Association

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Prepared by:
Coley/Forrest, Inc.
Denver, Colorado
February, 1985

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Environmental Planning Division
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16 JUL 93

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(ATTN: PAUL MAURY)

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Mr. Jack Bush
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MARKET POTENTIAL OF DOWNTOWN CHEYENNE

Prepared For:

Wyoming Industrial Siting Administration
City of Cheyenne, Project Coordinator

In Cooperation With:

Downtown Development Authority
Cheyenne Downtown Association

Prepared By:

Coley/Forrest, Incorporated
Denver, Colorado

February, 1985

This contract is financed by funds authorized under Section 801 of the Military Construction Authorization Act, 1981, (P.L. 96-418 as amended by P.P. 97-99, 10 U.S.C.).

The 801 Grant Agreement is between the Wyoming Industrial Siting Administration, acting on behalf of the Wyoming-Nebraska Intergovernmental Executive Impact Council (IEIC) and the United States of America, acting through the Department of the Air Force.

The Wyoming Industrial Siting Administration designated the City of Cheyenne as coordinator of this project.

COLEY/FORREST

1635 BLAKE STREET/SUITE 200/DENVER, CO 80202/(303) 573-9900

February 28, 1985

Mr. Richard C. Moore, PE
Director
WYOMING OFFICE OF INDUSTRIAL SITING ADMINISTRATION
Barrett Building; Third Floor
Cheyenne, Wyoming 82002

Mr. James T. Bonds, Director
CHEYENNE-LARAMIE COUNTY
Regional Planning Office
2101 O'Neil Avenue
Cheyenne, Wyoming 82001

Dear Mr. Moore and Mr. Bonds:

We are pleased to submit our report

MARKET POTENTIAL OF DOWNTOWN CHEYENNE.

We hope that this report will be useful to the City in its efforts to revitalize downtown Cheyenne, mitigate negative impacts and build upon positive impacts associated with the proposed Peacekeeper Missile.

Our efforts were enhanced significantly by the outstanding support we received from the City of Cheyenne staff, specifically including Dale Horneck and Do Palma, as well as the significant contributions of time, insight, and ideas from the Downtown Development Authority Board, representatives of the Cheyenne Downtown Association and individual retail tenants and property owners in the downtown area.

Respectfully,

COLEY/FORREST, INC.



Jean C. Ackerman
President

JCA:bb

TECHNICAL BACKGROUND MATERIALS AND REVIEW

Some historical and forecasted data from the Peacekeeper Economic Base Analysis Working Papers, prepared by URS-Berger, was used in this analysis.

In addition, the report benefitted from the careful review of the Economic Market Analysis Review Committee, comprised as follows:

Bill Bagley
Past President, Cheyenne Downtown Association
Peacekeeper Working Group

Steve Bartenhagen
Wyoming Industrial Siting Administration

Hal Miller, Executive Director
Industrial Development Association of Cheyenne

Dick O'Gara
Laramie County Community College

Dale Von Riesen, PhD
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Al Wiederspahn, Chairman
Downtown Development Authority

Staff:
Cheyenne-Laramie County Regional Planning Office
Do Palma
Dale E. Horneck

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INTRODUCTION

PURPOSE

This market analysis is prepared in support of downtown redevelopment efforts of the City of Cheyenne.

More specifically, this market study:

1. Describes the competitive areas for downtown Cheyenne.
2. Describes current downtown Cheyenne land uses, including office, retail, entertainment and lodging.
3. Identifies potential market opportunities for each type of land use.
4. Characterizes the types of office, retail, lodging, and entertainment developments that might be attracted to downtown Cheyenne.
5. Quantifies demand for various land use categories.
6. Proposes a competitive "position" and recommends various marketing strategies to enable downtown Cheyenne to achieve its market potential.

This market analysis is presented in 12 chapters:

Highlights and Conclusions (Chapter 2). This chapter summarizes the major findings of the market analysis and conclusions regarding the market potential of downtown Cheyenne.

Market Strategies (Chapter 3). This chapter presents a number of specific marketing recommendations that can enable downtown Cheyenne to achieve its market potential.

Retail Activity and Current Mix of Retail Businesses (Chapter 4). This chapter summarizes historic retail activity in Cheyenne and Laramie County and the types of retail establishments currently operating in downtown Cheyenne.

Retail Market Potential (Chapter 5). This chapter quantifies the retail potential within the Cheyenne trade area, and more specifically, within downtown Cheyenne.

Office Supply and Demand (Chapter 6). This chapter summarizes current office uses in downtown Cheyenne and in the Cheyenne trade area and forecasts market potential for office activity in downtown Cheyenne.

Special Development Opportunities (Chapter 7). This chapter outlines some special development opportunities that downtown Cheyenne might pursue, including rehabilitation of historic structures, entertainment and recreation and lodging developments.

Residential Supply and Demand (Chapter 8). This chapter summarizes market viable development opportunities for residential development in proximity to downtown Cheyenne.

Fiscal Profile of City of Cheyenne (Chapter 9). This chapter summarizes the current fiscal condition of the City and presents an overview of major revenue sources and expenditure commitments.

Resident Demographics (Chapter 10). This chapter summarizes significant historic and projected demographic trends within the Cheyenne market area.

Employment Characteristics (Chapter 11). This chapter summarizes historic and forecasted employment by sector within the Cheyenne trade area.

The Peacekeeper Program (Chapter 12). This chapter excerpts sections from the Peacekeeper Environmental Technical Planning Report series which forecast the impact of the Peacekeeper Missile on Laramie County. Where possible, forecasted impacts on downtown Cheyenne are referenced.

COMPETITIVE MARKET AREAS

Three competitive market areas have been outlined and applied throughout this market analysis.

The primary competitive market area is defined as the Cheyenne Urban Area and contains resident households which are likely to shop in Cheyenne establishments if desired goods are available.

The secondary market area is comprised of the remainder of Laramie County and Goshen County. Cheyenne is the closest major commercial area for residents in the secondary trade area, although they may have to travel over 50 miles to Cheyenne.

The tertiary trade area includes the Counties of Platte, Albany and Kimball. Residents within the tertiary trade area may be attracted to Cheyenne select shopping visits, but have other shopping area choices at closer or similar distances to Cheyenne.

The downtown area referenced in this analysis is generally bounded by

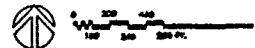
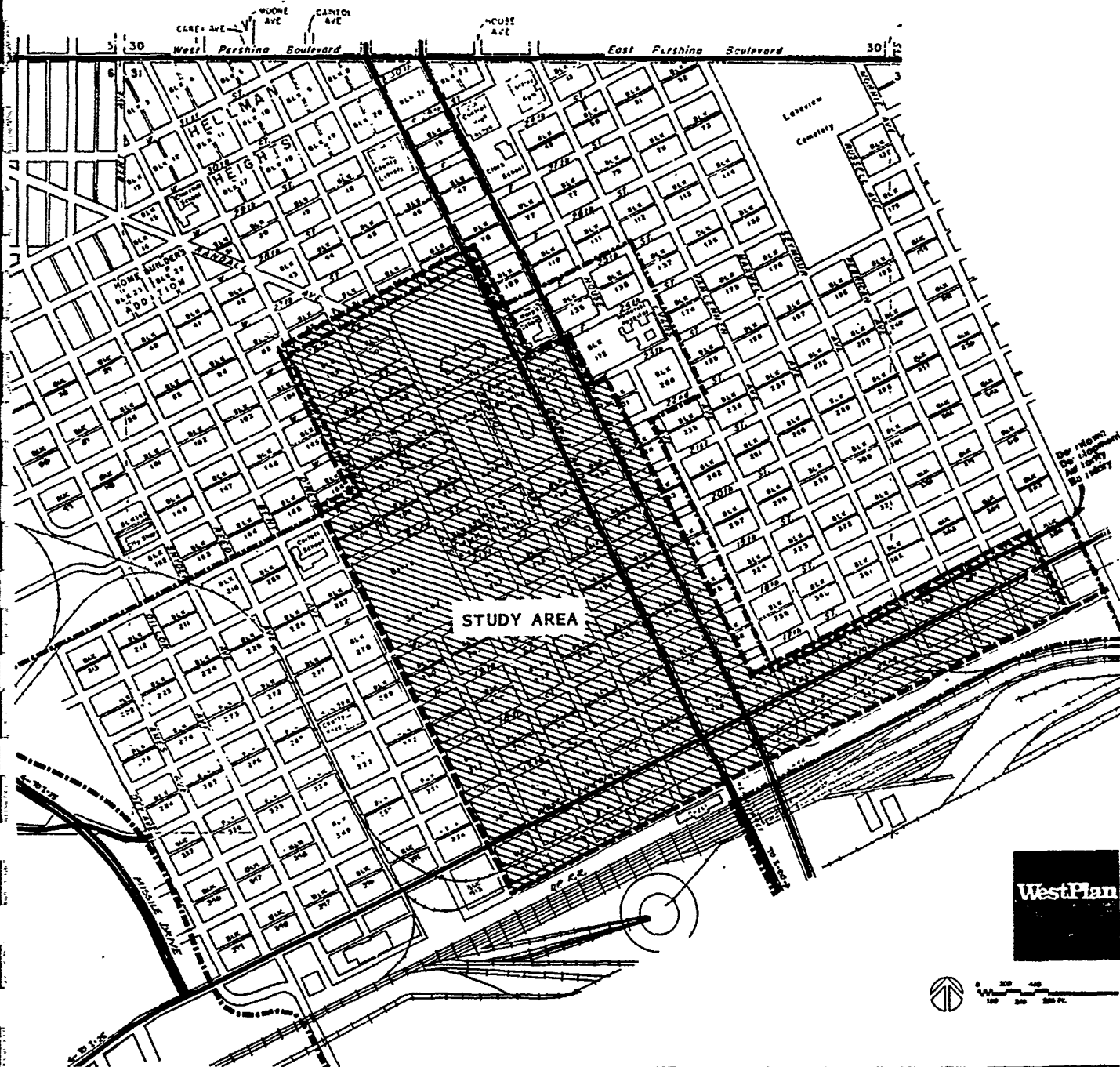
.15th Street

.Warren Avenue

.24th Street

.O'Neil Avenue,

as depicted on the map that follows.



CHEYENNE Downtown

HIGHLIGHTS AND CONCLUSIONS

OVERVIEW

This chapter highlights major market findings developed in the analysis. These findings form the basis for the market strategies, presented in Chapter 3.

In summary:

- Retail sales in Laramie County have increased at a modest rate of 1.3 percent per year over the last 10 years, if measured in constant dollars (discounted for inflation).
- Since 1980, retail sales in the County have declined, if measured in constant dollars.
- Downtown Cheyenne contains approximately 720,000 square feet of occupied retail space.
- The downtown does not contain a department store; dominant types of retail include 17 apparel and shoe stores (16%), 24 eating and drinking places (14.4%) and 30 business-related retailers (15%).
- Current retail vacancies average 16.6 percent (143,056 square feet).
- Current potential demand for retail goods and services in downtown Cheyenne is estimated to total \$9.3 million, roughly equivalent to 74,250 square feet.
- In addition, there are a variety of special development opportunities suitable for the downtown area, including redevelopment of the 15th Street/Union Station area and establishment of more recreation, and education facilities and services.
- Downtown Cheyenne contains approximately 1.98 million square feet of office space; 51 percent of the space is owned and occupied by various governments.
- Current office vacancies are 27.3 percent, primarily due to the recent termination of leases by the State and the relocation of Mountain Bell offices.
- There is a modest anticipated demand for new downtown lodging within the next six years: 60-100 rooms.
- There appears to be demand for several types of residential developments in close proximity to downtown but not within the core. These developments would cater to downtown employees, empty-nesters and active retired households.

HISTORIC RETAIL ACTIVITY

Historic retail trade activity in Laramie County and the State of Wyoming is presented graphically on the page that follows in current and constant dollars. [Retail trade statistics presented throughout this analysis include trade from all taxable events except the sale of automobiles.] Detailed statistics are presented in Chapter 4.

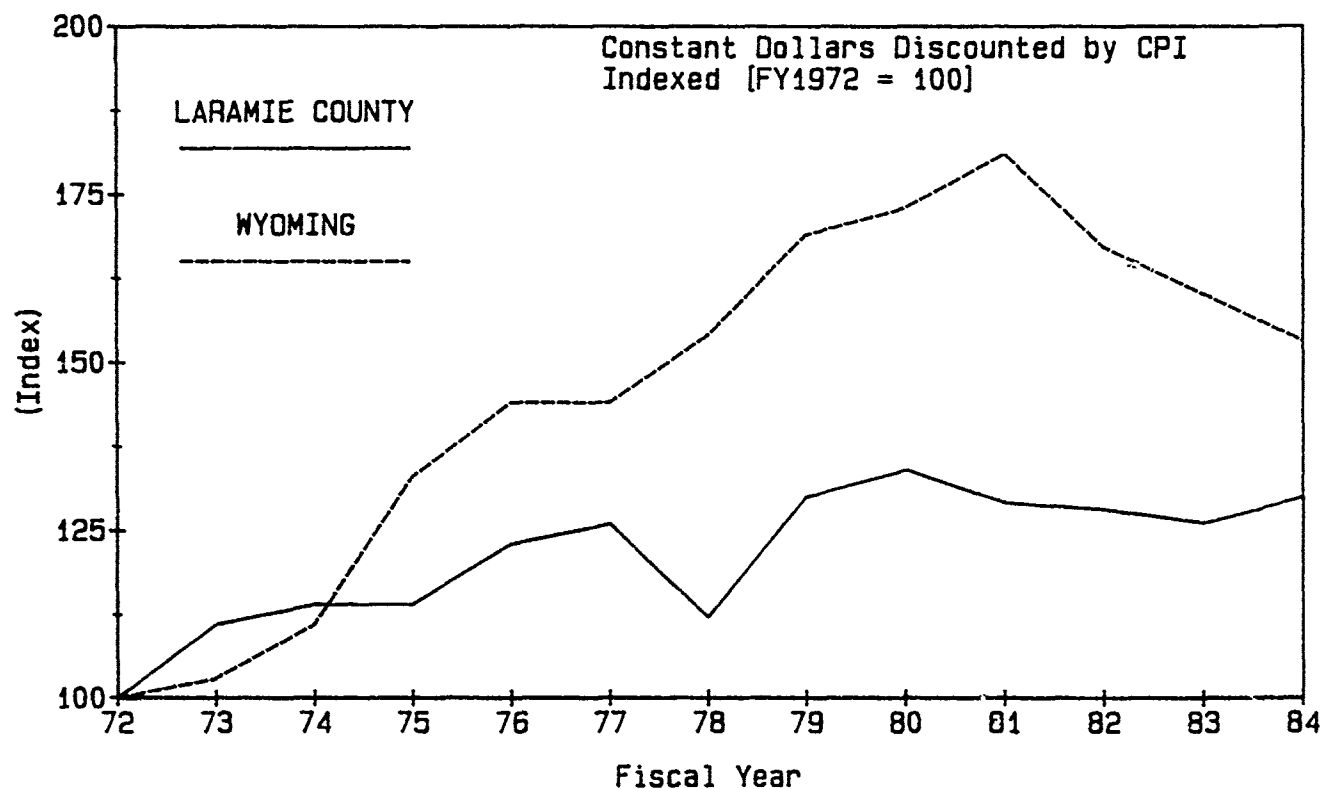
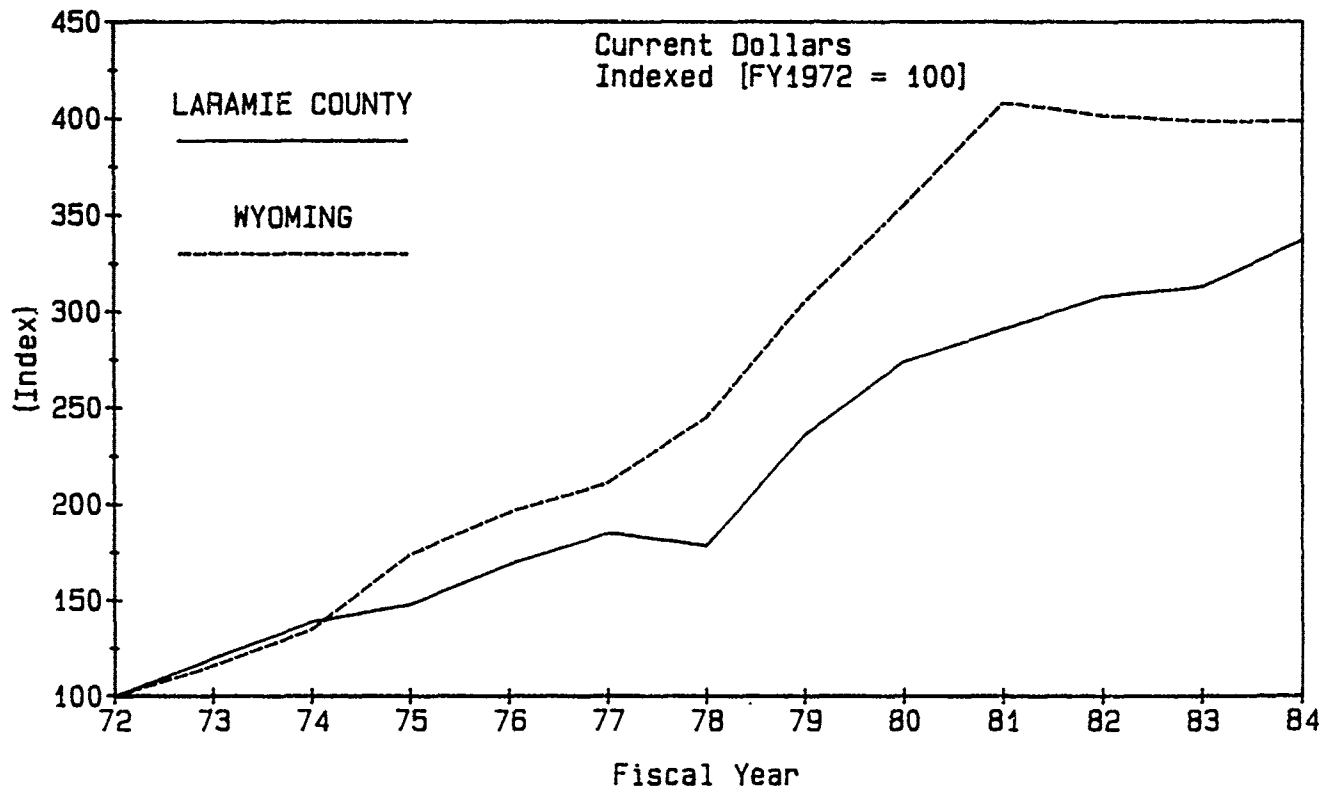
.Over the last 10 years, Laramie County retail sales have increased at an average annual compound rate of 9.3 percent in current dollars (not discounted for inflation) and at an average annual compound rate of 1.3 percent per year in constant dollars (discounted for inflation).

.Over the last 10 years, Wyoming retail sales have increased at an average annual compound rate of 11.3 percent in current dollars and 3.3 percent in constant dollars.

.Since 1980, Laramie County retail sales have increased at an annual average compound rate of 5.4 percent in current dollars. In constant dollars, retail sales declined.

.Since 1981, Wyoming retail sales have decreased; if measured in constant dollars, the decrease has been at an average annual compound rate of 5.3 percent. This is due to significant energy-related declines in Campbell, Natrona, Sweetwater and Uinta counties.

TAXABLE RETAIL SALES FISCAL YEARS 1972 - 1984



DOWNTOWN RETAIL SUPPLY AND VACANCIES

As of October, 1984, there were an estimated 174 businesses engaged in consumer-related and business-related retail trade, as summarized in the table below and presented in Chapter 4. These businesses collectively represent approximately 720,000 square feet of occupied retail space.

SUMMARY OF DOWNTOWN CHEYENNE RETAIL BUSINESSES

<u>Type of Activity</u>	<u>Businesses</u>		<u>Square Footage</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Consumer Comparison Goods and Services	93	53.5%	440,334	61.1%
Consumer Convenience Goods and Services	51	29.3%	174,262	24.2%
Business-Related Retail Goods and Services	30	17.2%	105,743	14.7%
TOTAL	174	100.0%	720,339	100.0%

Sources: CFI Survey, 10/84; based on Laramie County Tax Assessor files and field checks.

Approximately 54 percent of the retail businesses and 61 percent of the retail square footage is committed to consumer comparison goods and services. Convenience goods and services represent approximately 30 percent of the retail businesses and approximately 24 percent of the square footage. Business-related goods and services represent approximately 17 percent of all businesses and 15 percent of the retail square footage.

MIX OF RETAIL BUSINESS
DOWNTOWN CHEYENNE

	<u># of Shops</u>	<u>Square Footage</u>
COMPARISON GOODS		
Apparel & Accessories	17	112,377
Appliances, Radio, TV	3	16,142
Art/Music	9	39,022
Auto Sales,		
Accessories & Repair	15	94,631
Books/Cards, Gifts,		
Jewelry	15	27,768
Furnishings, Paint		
Hardware, Garden	10	87,703
Second Hand, Pawn	3	22,404
Service Station	7	8,479
Sporting Equipment/Hobby	6	10,154
Miscellaneous	8	21,654
Subtotal	<u>93</u>	<u>440,334</u>
CONVENIENCE GOODS		
Beauty/Barber	11	16,667
Drugstore	2	7,829
Eating & Drinking	24	103,545
Grocery	3	23,800
Liquor	1	1,742
Other Personal Services	10	20,679
Subtotal	<u>51</u>	<u>174,262</u>
BUSINESS-RELATED RETAIL		
Building, Construction		
Materials	6	16,248
Plumbing & Electric		
Equipment	3	6,449
Printing	3	25,476
Office Supplies	8	36,329
Other	10	21,241
Subtotal	<u>30</u>	<u>105,743</u>
TOTAL	174	720,339

Source: CFI Survey, 10/84; based on Laramie County Tax Assessor Files, property owners, shop owners, and real estate agents.

There is approximately 143,056 square feet of space which could be occupied by retail businesses within downtown Cheyenne. This space is located in 30 structures; available space ranges in size between 550 and 48,000 square foot. Typical vacant space ranges between 1,500 and 5,500 square feet.

This current vacant space excludes some upper-floor areas which might be used for office or retail storage and some vacant warehouse space, which is more suited for industrial uses.

Current retail vacancies in downtown Cheyenne are approximately 16 percent, as summarized below.

TOTAL RETAIL SPACE BY USE

Occupied Retail Space	720,339
Vacant Retail Space	<u>143,056</u>
TOTAL	863,395
Vacancy Rate	16.6%

RETAIL MARKET POTENTIAL

The analysis focuses first on retail market potential for Laramie County and then steps down to Cheyenne and the Central Business District. [Methodology and supporting calculations are presented in Chapter 5.]

The analysis estimates the total dollar volume of retail purchases generated by the trade area for convenience and comparison goods and services and that portion of total goods and services purchases that could be expected to be spent within Laramie County by these market area non-military residents.

In addition, retail demand associated with four other sources of activity functioning in the Laramie County trade area are estimated:

- . Non-resident employees
- . Travel and Tourism
- . FE Warren Air Force Base (Warren AFB) Military Households
- . Business purchases

Retail demand estimates from these five sources of demand, resident (non-military) households, non-resident employees, travel/tourism, Warren AFB, and business purchases are compared with actual retail sales in Laramie County. The difference, which for purposes of this report we term "potential demand," represents an additional volume of retail trade that Laramie County could reasonably expect to have today if the right:

- . inventory of goods and services were available;
- . advertising and promotion were effective;
- . transportation, shopping hours, and other convenience services were available.

$$\begin{array}{rcl} \left(\begin{array}{l} \text{Retail Demand} \\ \text{for Goods and Services} \\ \text{in Laramie County} \end{array} \right) & - & \left(\begin{array}{l} \text{Retail Sales in} \\ \text{Laramie County} \end{array} \right) = \begin{array}{l} \text{"Potential"} \\ \text{Demand in} \\ \text{Laramie County} \end{array} \\ \$353,671,760 & - & \$287,441,925 = \$66,229,835 \end{array}$$

Approximately 14 percent of this current potential demand might be captured by downtown Cheyenne retailers if the Cheyenne downtown captures an average volume of citywide sales. This equates to \$9.3 million or approximately 74,250 square feet.

DOWNTOWN OFFICE SUPPLY, VACANCIES, DEMAND AND LEASE RATES

There are an estimated 1,984,629 square feet of office space in downtown Cheyenne, including 1,017,757 (51%) square feet of space in public buildings. [This estimate excludes buildings used primarily for warehouse, industrial, storage or retail uses.]

DOWNTOWN CHEYENNE OFFICE SPACE

Type of Space	Square Feet	Percent
Leased Office Space (Private)	702,567	35.4%
Office Space (Public)		
Federal	214,000	10.8%
State	687,844	34.7%
Local	115,913	5.8%
Vacant Space (Private)	129,305	6.5%
Vacant Space (Utility)	135,000	6.8%
TOTAL	1,984,629	100.0%

Source: CFI Survey of CBD Office Space (10/84)

Approximately 63 percent (432,368 sq.ft.) of the leased space is in one of 13 multi-tenant buildings of 12,000 to 76,000 square feet. The remaining 37 percent of space is in single-tenant buildings, smaller multi-tenant buildings, buildings housing a mix of retail, office and other uses, or retail "storefront" style locations.

The estimated composite vacancy rate for downtown Cheyenne privately owned office space is 27.3 percent (264,305 square feet) (10/84), as summarized on the following page. [The relatively high current vacancy is due to two recent events: The State's termination of leases and Mountain Bell's relocation from downtown. Note that the occupancy estimate excludes single-tenant government structures and Union Station and includes all private and utility-owned space.]

The vacancy rate includes space currently leasable; it excludes any vacant space which is in storage, industrial or condemned structures.

Vacancy estimates are dominated by one of the Mountain Bell structures (2020 Capitol) which is 150,000 square feet and 90 percent vacant. Excluding this building lowers the vacancy rate to 15.8 percent.

PRIVATE SECTOR OFFICE SPACE:
TOTAL OCCUPANCY/TOTAL VACANCY

Total Occupied Space in Private Structures:*	702,567
Total Vacant Space (10/84) in Private Structures:**	264,305
Total Square Footage	966,872
Vacancy	27.3%

* Excludes government and Union Station
but includes utilities and all privately
held space.

** Excludes vacant space in storage,
Industrial and condemned structures.

The table below summarizes lease rates and vacancies for a sampling of downtown Cheyenne office buildings, as of October, 1984.

Note that it is the Class B buildings (Bell, Hynds, etc.) with lower rents (\$6.00-6.50 per SF) that have more vacancies. The two largest multi-tenant buildings (American National Bank and Rocky Mountain Plaza) both lease space at \$10.00 per square foot (full service) and both are full.

Two techniques were used to measure office demand. According to these calculations, current office demand in downtown Cheyenne is generally in balance with current, occupied office supply. Annual, forecasted demand is estimated to range between 15,900 and 18,900 square feet.

DOWNTOWN CHEYENNE: OFFICE SUPPLY AND DEMAND
(In square feet)

Supply		Demand	
Occupied:	702,567	Current Demand:	618,010-823,230
Vacant:	264,305	Annual, Forecasted Demand:	15,900-18,900
Total	966,872		

MARKETING STRATEGIES

During the 1970s and 1980s, there has been a strong reurbanization trend in many communities, which has fostered a downtown retail revival. Several significant factors are propelling this reversal:

- . growth in downtown office employment;
- . growing appreciation in urban lifestyles and specialty retailing;
- . a more aggressive public sector, armed with sophisticated tools to foster private reinvestment in downtown areas;
- . a significant reduction in "easy" suburban retail development opportunities;
- . examples of successful pioneering projects in other downtowns.

These same factors and tools are present in Cheyenne and form the basis upon which revitalization can occur.

This chapter presents some ideas as to how downtown Cheyenne might enhance its economic condition in the coming years. The following discussions are presented:

- . The Role of Downtown
- . Inviting Shopping Environment
- . Marketing and Promotion
- . Quality of Merchandise
- . New Retail Businesses
- . Action Strategies
- . Public/Private Partnerships
- . Funding Administration and Management
- . Financing Alternatives
- . Roles and Responsibilities
- . Community Workshop Results

We encourage the downtown Cheyenne organizations to focus on making the downtown area an attractive location for real estate and business investment, via use of not only improved marketing strategies, target advertising, and physical clean-up/fix-up efforts, but also specific financial and political tools. We recommend the strategic use of "carrots" to attract new investment downtown, not "sticks" to discourage investment in other portions of Cheyenne and Laramie County.

Long-term growth forecasts for Cheyenne and Laramie County indicate a continuation of stable but modest growth; excluding any major new infusion of business investment, forecasts generally estimate a two percent annual increase in population and a one percent annual increase in employment.

Efforts to enhance the economic health and physical condition of downtown Cheyenne should focus not only on encouraging new businesses, which suit the target tenant profile, to a downtown location, but also:

- . extending the traditional trade area of downtown for certain goods and services;
- . working with other local merchants who attract non-local shoppers to extend the Cheyenne shopper visit to downtown;
- . assist other economic development organizations in cultivating new types of industry to Laramie County.

THE ROLE OF DOWNTOWN

A critical first step in the economic future of downtown Cheyenne is to articulate the intended "role" or objectives of downtown Cheyenne. This clear description of downtown Cheyenne's intended role can foster redevelopment by encouraging uses that complement its role and theme, helping to streamline the range of possible actions to those that directly relate to downtown Cheyenne objectives.

Downtown Cheyenne is a unique place; it is the heart of the community and the visible expression of how the community presents itself not only to local residents but other Wyoming residents and to potential businesses and residents. Its role or function within the City, the County and the State should be specialized and in some cases unique.

It is important that downtown Cheyenne build on the many strengths it now possesses. Among others, these strengths include:

- . established financial center of Laramie County;
- . interesting architectural detail in some existing structures;
- . publicly-held land assemblages available for joint-use parking and redevelopment;
- . site of State Capitol and attendant State offices;
- . site of the Cheyenne Civic Center;
- . physically cohesive;
- . nucleus of property owners who desire to improve the downtown area.

Office: Downtown Cheyenne should work to retain its role as the center of financial services and professional services. Lending institutions and professional firms desire to locate near colleagues and clients. A list of major financial and professional service firms located downtown should be prepared, maintained and distributed to downtown building owners and commercial real estate brokers.

Retail: For downtown merchants to draw customers past the convenient, well-designed and well-stocked shopping mall, something unique must be provided. Downtown Cheyenne should cultivate its role as the center of:

- .tourist-related or "festival" retail;
- .specialty apparel and accessories;

The physical attributes of the 15th Street structures would make an outstanding location for an expansion of tourist and specialty retail.

However, downtown's success as a retail market will be closely aligned with its success as a place. Downtown's streets, plazas and parks create the environment that shoppers are either attracted to or avoid.

Entertainment and the Arts: Downtown Cheyenne is in an enviable position as the seat of a new performing arts center, the current (and expanding) State Museum, and eight art galleries, some of which maintain a national clientele. Downtown should look to build on its current position as the center of Wyoming performing and visual arts. Pre- and post-theatre dining, art showings, encouraging performing and visual art schools and studios are some ways downtown merchants can build on this theme.

Restaurant and Lodging: Downtown Cheyenne has lost its role as the center of fine dining and lodging. This trade, bolstered by Cheyenne's role as the State Capitol and related business and political activities, frequents establishments in Cheyenne, outside downtown. As new establishments are attracted to Cheyenne, they should be encouraged to locate downtown.

INVITING SHOPPING ENVIRONMENT

The physical appearance of downtown Cheyenne can become far more interesting than any new suburban shopping center. The physical appearance relates not only to structures, but also to street furniture, plazas, lighting, window displays, etc.

It has been demonstrated repeatedly that it is not essential to enclose retail areas to compete favorably with other enclosed spaces. Outdoor retail successes in Boulder, Greeley, Fort Collins, and Jackson are ample evidence of this point.

It is essential, however, to improve the shopping environment of downtown Cheyenne. Current negative shopping environment conditions that deter shopping include the following:

- . uninviting window displays and merchandising;
- . inconsistent storefront treatment and signage, which confuse the shopper;
- . inadequate information regarding shopping opportunities;
- . inadequate attention to streetscape, creating a boring and uninviting walking experience.

Regardless of what physical, marketing, or merchandising improvements are introduced, basic principles of retailing should never be violated. These include:

- . visibility
- . accessibility
- . internal circulation
- . security
- . experienced merchants
- . good leasing plans
- . retailing continuity of business types
- . tenant mix that enhances cross-traffic

There are three primary ways in which downtown environments can change from a detraction to an asset. These are:

- . infusion of new economic development activity;
- . public streetscape, pedestrian, and parking improvements;
- . good and successful examples by retail peers.

The first major way downtown shopping environments are improved is the significant infusion of new economic development activity. New economic activity generates additional shoppers which, in turn, motivate individual property owners to improve their facades and motivate retailers to improve their window displays and merchandising. With the possible exception of some Peacekeeper Missile Impact, we do not expect a major infusion of additional economic development. However, by capturing more of the potential retail demand from its trade area, new economic development can be cultivated.

The second major way shopping environments are improved is by the construction of public sector improvements. These may include landscaping, street furniture, parking improvements, signage, and similar treatments. Physical improvements can enhance a comprehensive effort to bolster downtown retail. However, these efforts must be combined with marketing, tenant mix improvements and promotional programs to increase shopper traffic and purchases.

The third way is by the contagious effect of good examples. Individual retailers who improve their facade, merchandising, or promotional activities, and who benefit from higher retail sales from these efforts, will by themselves trigger additional redevelopment and rethinking. Unfortunately, this more frequently comes from new retailers entering the market than from existing retailers changing his/her approach.

MARKETING AND PROMOTION

Physical improvements alone will not guarantee an increase in retail sales. Downtown Cheyenne must not only improve its physical "plant," but also remerchandise.

An outstanding shopping environment or an outstanding tenant mix alone cannot make downtown retail areas thrive. When these two critical elements are combined, retail activity is enhanced.

Suburban shopping centers have a number of competitive advantages relative to most downtowns:

- . convenience to residences;
- . no parking fees;
- . easy pedestrian circulation patterns;
- . well-lighted common spaces that are clean, safe, and climate-controlled;
- . special events in common areas, such as art shows, concerts, and the like;
- . managed for shopping convenience;
- . provide a well-rounded mutually complementary mix of retailers.

Successful shopping areas, whether they be within a single shopping center or in a downtown community, often are characterized by a strong merchant's association or, in the case of a shopping center, a strong manager. A strong merchants association is essential if there are to be consistent hours, group advertising and promotion, and group sponsorship of shopper-attracting events.

The 16th Street Mall in Denver and Pioneer Square in Seattle are classic examples where multi-owned properties and businesses have organized festivals, common hours, and joint promotions for the members' collective economic benefit.

QUALITY OF MERCHANDISE

A regional shopping center will typically fill its spaces with tenants that sell "moderate" lines of goods and services, since this is the strata where the major proportion of retail dollars are spent. Downtown retail merchants can merchandise to either the "low end" of the retail trade or the "high end" specialty retail trade or compete directly with the shopping center.

There are some specialty shops in downtown Cheyenne catering to the "high end" of the retail trade. These shops sell apparel, accessories and art.

In fact, the largest concentration of specialty stores is downtown. Attracting more "high end" retail trade businesses will not only fill retail vacancies but likely bolster retail sales at existing specialty shops.

In addition, "high end" retail trade establishments earn more dollars per square foot, capable of spending more money for rent, and are more likely to improve their space with quality tenant finish.

NEW RETAIL BUSINESSES

The retail business mix in downtown Cheyenne has no strong weaknesses at this time; however, the quality and diversity of merchandise within a number of these businesses is not as good as a shopper can find in other locations.

There are a number of retail opportunities present in downtown Cheyenne. Many times, retail trade can increase in each business when there is a cluster of similar competitive businesses. In these situations, the shopper can know, with the benefit of group advertising, that choices are conveniently available.

With this concept in mind, there are a number of specific retail and consumer service business opportunities which, from a preliminary and general perspective, appear market viable in downtown Cheyenne. These include:

- . specialty apparel and accessories (1500-2500 sq.ft.)
- . leather goods (1000-2500 sq.ft.)
- . quality shoe stores (1200-2500 sq.ft.)
- . art galleries and art supplies (1200-5000 sq.ft.)
- . ice cream shop (500-750 sq.ft.)
- . formal (tablecloth) restaurant (s) (3500-5000 sq.ft.)
- . drugstore (10,000-15,000 sq.ft.)
- . aerobics/fitness center (3000-5000 sq.ft.)
- . music store (1000-2500 sq.ft.)
- . hobby shop (600-1500 sq.ft.)
- . fabric shop (750-2000 sq.ft.)

ACTION STRATEGIES

No one idea or approach is the panacea for improving the economic health of downtown Cheyenne. Individual retailers, who are primarily tenants, and individual property owners cannot be expected to initiate redevelopment or revitalization efforts, since they cannot be assured that their singular investment will yield returns worth their effort.

In many downtowns throughout the country, revitalization of downtown retail has been the most persistently difficult aspect of renewal. Successful downtown redevelopment efforts have typically been initiated with non-retail activities such as hotel, entertainment and office developments. Retail follows or complements larger projects.

The most significant additions to downtown retail space in the 1970s and early 1980s has consistently been as part of a large-scale hotel, office, or mixed-use development, rather than as purely retail project.

Cheyenne cannot expect or wait for a major non-retail development to happen downtown and enable the currently vacant retail and office space to fill. A more active effort to shrink current retail leakage, expand the retail trade area, attract specific types of entertainment and retail tenants, and promote downtown to new businesses considering Cheyenne will be necessary.

Although the Cheyenne area has experienced modest economic development, downtown has not shared in this growth due to a number of historic, political, and economic constraints. Primary constraints have been:

- . difficult land assemblage;
- . relatively high land costs;
- . inconvenient parking in some areas;
- . rental rates no higher than suburban locations;
- . absence of major downtown type amenities;
- . inconsistent quality of retail and entertainment establishments;
- . insufficient public incentives to overcome deterrents listed above.

We would suggest that Cheyenne focus its attention on the action strategies recommended on the following pages.

It will be critical to prioritize among these possible action strategies since energies need to be focused to succeed. It is equally important to select priority strategies where there is consensus and which can be registered as successful within 6 to 9 months.

- . Some ideas require an insignificant outlay of funds while others cost millions.
- . Some will take months to put into practice - others will take years.
- . No idea alone will be as successful as it will be in combination.
- . Some are designed to solve short-term sales leakage; others are designed to expand the trade area.
- . Some ideas solve immediate problems and should be managed by a group interested in such tasks; other ideas require technical planning, extensive organization and intricate fundraising efforts and should be managed by those more interested in these tasks.

Physical Improvements

Improving physical appearances and adding amenities can help boost shopper patronage and retailer/investor confidence when undertaken together with more fundamental measures.

Appearance. Address the physical appearance of downtown, including not only public sector improvements, such as the sidewalk, road right-of-way, and parking, but also private sector improvements, such as building facades, window displays, signage, and internal merchandising displays. Again, public reinvestment should trigger private reinvestment in structures and tenant finish.

Traffic Flow. Improve the traffic flow to and through downtown so that it benefits the downtown merchants and businesses. This is not as simple as redirecting traffic flow, but requires the sensitive interplay of vehicular and pedestrian traffic flow, parking, urban design, signage, and land use compatibility.

Inventory and Solve Parking Constraints. The City is fortunate to own or manage several joint use parking lots. However, parking is not easily accessible to many retail and office buildings. A phased plan to provide joint use, off-street parking to accommodate downtown business activity is essential. The plan to implement parking improvements might be triggered by individual private investment initiatives.

The Fifteenth Street Revitalization. The existing set of structures on 15th Street are an underutilized and unique resource which could bolster downtown revitalization. Efforts to package this portion of the downtown and attract a major, experienced redeveloper should be managed by the Development Authority. It is unlikely that this area will be revitalized by piecemeal efforts.

Design Theme. A cohesive design theme which can be manifested in street signs, merchant directories, print advertising, public signage and streetscape furniture and lighting can help establish the downtown area as a unique center of activity. Artwork, should be available to any downtown area merchant to use in individual advertising or promotions.

Employment/Retail Linkages. There are approximately 3,135 employees at the State, and local governments and hospital. The closest lunch and after work retail center is downtown, between 4 and 7 blocks away. The better the linkage between these employment centers and downtown the more likely employees will frequent downtown.

"Linkages" might be physical or promotional. Some ideas include:

- .attractive pedestrian routes [Previously, Capitol Avenue and 22nd Streets were so designated.]
- .shuttle bus service
- .improved information, such as business directories with maps
- .promotional efforts, such as brown bag lunch specials, early breakfast specials
- .convenient hours, extended after work hours

Circulation. Better differentiation between pedestrian oriented shopping streets and through streets. The currently extensive one-way circulation system with complicated traffic signal pattern hampers the pedestrian oriented shopping experience.

Enclosures, Plazas, Bridges and Walkways. Although downtown Cheyenne will not be an enclosed mall, there are many ways that the shoppers' trip can become more enjoyable. Develop a physical improvements plan which includes the phased development of enjoyable linkages between parking, shops, and entertainment. These might include:

- . closing and enclosing segments of alleys to allow indoor movement between businesses;
- . using vacant lots for plazas and other pedestrian amenities;
- . developing bridges between key buildings;
- . adding sidewalk canopies or arcaded sidewalks (by being notched into buildings);
- . introducing sidewalk amenities such as kiosks, street benches, plants and trees, flower boxes, trash receptacles, phone service.

Block by Block Improvements. The impact of improving one streetface can be far more significant than spreading the same level of effort throughout the downtown. Blockface improvements might include a combination of public and private sector efforts.

Public Sector

street trees
benches
trash receptacles
newsstands
street lighting
kiosks
merchant directory

Private Sector

clean building facades
update window displays
add canopies
add window planters
paint second floor facades the same color
construct harmonious signs

Block faces might become eligible for public improvements when a coordinated private improvement program is initiated.

Clean Clutter. Over the last 100 years, downtown has accumulated needless clutter, including unused standards and posts; outdated posters, signs and signals; abandoned overhead wires; duplicated street and direction signs.

A campaign to find and eliminate needless clutter can contribute to beautification.

Tenant Mix

Target Desired Tenants. The first step in determining the desirable tenant mix is decide what role (s) downtown should strive to attain. The tenant desired tenant mix should relate to these role (s).

Attract Non-Retail Developments. Attracting new non-retail developments, such as entertainment establishments, fitness center, business schools, restaurant and additional office tenants can generate spin-off benefits in increased customers, clients and shoppers. Non-retail development can trigger substantial reinvestment in retail-oriented properties and encourage additional retail tenants to select a downtown location.

An Urban Land Institute study conducted in 50 downtown areas in 1977 showed that on average, an increase of 1,000 office workers was accompanied by an increase of \$3.32 million in retail sales. This is not a direct measure of office worker retail spending. The concentration of office functions downtown attracts business visitors who also purchase goods and services. The resurgence in retail demand fosters a wider diversity of goods, services, and amenities which, in turn, attracts more people. For every 100 new employees, an additional \$332,000 in retail demand (1977 dollars) might be created.

Target Specific Types of Retail Tenants. A preliminary list of retail tenants that suit the proposed role for downtown and appear market viable has been outlined earlier in the chapter. This list should be expanded and clarified into a list of "wanted tenants." A specific (individualized) marketing effort should be managed to solicit entrepreneurs or established retailers to locate in downtown Cheyenne. The Development Authority, Downtown Association and the Chamber should have responsibilities/participate in this effort.

Promote Downtown Cheyenne to Potential Office Users. Given the volume of currently vacant office space, it is critical that office tenants considering locating or expanding in Cheyenne be encouraged to locate within downtown. Typically, the commercial real estate brokerage community is first aware of a potential office tenant. The Development Authority should facilitate consideration of a downtown location by assisting to provide technical, promotional and financial support (via information on available office space, working to alleviate physical constraints, and lending technical support as possible).

Specific assistance to owners of older office buildings in the form of industrial development bonds, and convenient off-street parking may be necessary.

Built On "Defacto" Anchors. Identify retailers that currently draw from a wide trade area and build shopping linkages on these "defacto anchors." There are several apparel and art retailers in downtown Cheyenne that currently draw from a wide trade area. Shopper sales can be improved by promoting purchasers by shoppers that frequent these established "anchors." (The Cheyenne Civic Center) can also be considered an "anchor."

Expand Trade Area to Parallel Frontier Mall. The Mall advertises and draws from many cities outside of Laramie County. If the Mall attracts shoppers to Cheyenne, the downtown merchants can build on this opportunity by advertising its unique merchandise and entertainment opportunities to these new shoppers.

Marketing/Advertising/Promotion

There are a number of relatively inexpensive marketing tools which can improve knowledge about downtown shopping opportunities.

Local Media Support. Work with local radio, television and newspaper to initiate series of stories about downtown improvement efforts and about individual merchant efforts to enhance trade.

Merchants Profile. Develop interesting list of downtown merchants, with companion map which shows shops and parking. Distribute the list in downtown stores, hotels and restaurants to newcomers and conference attendees and via news media.

Historical Heritage. Continue walking tours of downtown buildings of historic interest and architectural interest and extend offering of tours to school children, civic groups and visitors. Complement walking tour with educational package for school use. Increasing awareness and interest about downtown can indirectly increase use of downtown.

Sitting Service. Consider offering a children's sitting service for parents. Cost of the service could be inversely related to the volume of purchases.

Common Hours. National surveys are showing an increasing number of retail expenditures occurring between 5 pm and 9 pm, due in part to the increase in working women. Most downtown merchants close at 5 pm; their closing means a possible extensive loss of business from the 3,135 government workers and 6,380 private sector office and retail workers who work less than five minutes from downtown. Many merchants have independently initiated efforts to remain open beyond 5 pm but their individual efforts did not achieve significant increase in sales. A coordinated and well-advertised effort to remain open 1 or 2 evenings a week until a time certain should increase revenues. If done on a trial basis, the trial should be at least 6 to 8 weeks.

Promotional Package for Prospective Tenants. Develop a package outlining available space, current tenant mix, group promotion efforts and a list of reasons why merchants should locate downtown. Maintain this list and distribute it to local real estate brokers.

Store Lighting. Consider leaving window display and common lighting on later than store closings. This makes downtown appear alive and will improve awareness of individual store locations. Enclosed malls do not have this opportunity.

Establish Marketing Teams. Analogous to the highly successful industrial development teams, the City should consider establishing teams of dynamic local business and government leaders to recruit service, retail, and office businesses to downtown Cheyenne. These teams should offer services such as advice and guidance in obtaining financing, current property listings, buildings of historic significance and eligible for tax credits, and access to local people who can provide needed technical support.

PUBLIC/PRIVATE PARTNERSHIPS

Some form of public sector support which would trigger private sector redevelopment is very likely necessary.

This is because the cost of land acquisition, the difficulty of land assemblage, the expense of construction on inefficient sites, and the provision of parking in costly parking structures often produces development costs as high as what the developer can finance conventionally, given the expected value of the development.

Even if equal time and effort are involved in assembling land in downtown and suburban locations, then the costs of developing a building in downtown Cheyenne conventionally at this time appears only to equal the market value of the development. Developers are unlikely to proceed under these circumstances.

A simple comparative analysis demonstrates the point. The cost of a 30,000 square foot, four-story (1st floor retail, upper floors office) building with 75 parking spaces is estimated using hypothetical downtown and suburban Cheyenne locations. The suburban building produces a higher market value than construction costs (\$686,446); the downtown building costs only \$35,460 less than its market value at completion and full lease-up. These calculations are summarized below and presented in more detail in the pages that follow.

	<u>Suburban Location</u>	<u>Downtown Location</u>
Construction Costs	\$2,272,214	\$2,923,200
Market Value	\$2,958,660	\$2,958,660
Difference	\$686,446	\$35,460

Given these general parameters, without some form of public incentives, new development in downtown Cheyenne is not likely to occur. Often the cost of substantial rehabilitation equals the cost of new construction, so substantial rehabilitation may also be unlikely.

Public participation in the form of parking provisions, and land writedown, industrial development bonds, will likely be necessary to facilitate major downtown redevelopment. This public/private partnership, as it is frequently called, invariably raises political issues which revolve around how to justify substantial public subsidies to private projects.

COMPARATIVE COST AND VALUE ANALYSIS:
30,000 SQUARE FOOT, 4-STORY BUILDING, 75 PARKING SPACES

	<u>Suburban Location</u>	<u>Downtown Location</u>
CONSTRUCTION COSTS		
Land Cost and Site Preparation	8,600 sf building 20,625 sf surface parking <u>29,225 sf X \$4.50=\$131,512</u>	8,600 sf building 8,000 sf structured parking <u>16,600 sf X \$15=\$249,000</u>
Shell Construction Costs	30,000 sf X \$48=\$1,440,000	30,000 sf X \$48=\$1,440,000
Tenant Finish Construction Costs	27,000 sf X \$11=\$297,000	27,000 sf X \$10=\$297,000
Parking	75 surface spaces X \$300= \$25,000	75 structured spaces X \$6,000= \$450,000
Soft Costs (interest, fees, marketing, landscaping ... excludes developer profit)	20% of hard costs 20% X \$1,895,512=\$378,702	20% of hard costs 20% X \$2,436,000=\$487,200
TOTAL COSTS	\$2,272,214	\$2,923,200

MARKET VALUE

Gross Income	27,000 sf X \$12=\$324,000	27,000 sf X \$12=\$324,000
Less Vacancy	5% of gross income 5% X \$324,000=\$16,200	5% of gross income 5% X \$324,000=\$16,200
Effective Gross Income	\$307,800	\$307,800
Less Management Fee	3% of effective gross 3% X \$307,800=\$9,234	3% of effective gross 3% of \$307,800=\$9,234
Less Reserve	\$0.10 per square foot \$0.10 X 27,000 sf = \$2,700	\$0.10 per square foot \$0.10 X 27,000 sf = \$2,700
Net Operating Income	\$295,866	\$295,866
Market Value	10.0% capitalization <u>\$295,866</u> = \$2,958,660 10.0%	10.0% capitalization <u>\$295,866</u> = \$2,958,660 10.0%

Answers to these issues must be presented fairly and straight-forwardly or the partnership will likely crumble. Economic, quality of urban life, and fiscal benefits from such ventures can outweigh initial public investment.

However, public/private partnerships entail some additional risks for both parties which are not likely to occur under the conventional development process where the public sector reviews private sector proposals. These unique risks include:

- . faulty developer selection procedures, necessitating new, expensive, and time-consuming rounds of bidding;
- . overambitious project concepts which cannot win financial backing;
- . inability of the public sector to react quickly to changing market and financial conditions;
- . waning developer interest because better options in other cities or other areas materialize;
- . inability of a local developer to attract needed joint venture partners;
- . inadequate government or community support in project implementation.
- . policy changes resulting from the election of a different set of local officials.

Yet, the rewards of downtown redevelopment are significant to the local community from fiscal, economic, and social perspectives. The outcome of inaction, resulting in further downtown deterioration, also carries significant and long-term negative fiscal, economic, and social consequences.

FUNDING ADMINISTRATION AND MANAGEMENT

Some source of on-going administrative financial support is essential to trigger revitalization. Volunteers such as the Board of the Cheyenne Downtown Association and the Downtown Development Authority need staff to structure and implement policy choices. Experienced staff will not accept a job without some assurance that sufficient funds are available to accomplish his/her job.

The City has offered \$20,000 in seed money; this offer may be matched by a \$20,000 loan.

A hypothetical but realistic year one budget is outlined below; it totals \$129,200-\$183,200. Although this budget is merely suggestive and actual activities will change each year, the funding level may remain or increase.

As projects materialize, downtown redevelopment staff might be funded through administration services contracts for special improvement districts, developer review fees, tax increment financing and major grant awards. It is the early years, that are the most difficult to finance.

One approach to raising funds is outlined below:

1. City lend office space and supplies, equaling in-kind support of \$16,200 annually.
2. Fifty percent (\$83,500) of the remaining budget be raised via private foundations, corporate contributions and grants.
3. Fifty percent (\$83,500) be raised by encouraging pro-rata contributions from downtown property owners and tenants.

If each private owner participated in proportion to their square footage, a 5.7 cent per square foot "assessment" per year might be levied.

$$\left[\frac{\$83,500}{1,470,000 \text{ sq. ft.}} \right] = \$0.057$$

PROTOTYPICAL FIRST YEAR BUDGET:

OFFICE:

Administrator	\$30,000-45,000
Secretary/Assistant	15,000-17,000
Rent (1000 SF X \$8)	8,000*
Utilities, Telephone (\$350 X 12)	4,200*
Postage	1,000*
Office Supplies, Copies (\$250 X 12)	3,000*

Subtotal	\$61,200-78,200
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ACTIVITIES:

Parking, Circulation, Land Use Plan	\$10,000-25,000
Design Theme and Conceptual Streetscape Design	15,000-20,000
Legal, Appraisal, Accounting and Other Consulting Services	10,000-15,000
Advertising/Promotion	30,000-40,000
Travel/Entertainment	3,000-5,000

Subtotal	\$68,000-105,000
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GRAND TOTAL	\$129,200-183,200
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*Possibly supplied by the City as in-kind support

FINANCING ALTERNATIVES

Financing for capital and some management strategies are suggested in the table that follows.

Action Strategy

Possible Financing Vehicles

PHYSICAL IMPROVEMENTS

Physical appearance improvements to public property

- .Special improvement district
- .Local option sales tax

Physical appearance improvements to private property

- .Revolving loan fund, using CDBG or local lending institution pool of revenues
- .Private improvements might be "matched" with public improvements

Joint-use parking lots

- .Special improvement district
- .Revenue bonds
- .Tax increment bonds, if associated with retail improvements

15th Street revitalization

- .Tax increment bonds
- .Urban Development Action Grant
- .Joint venture
- .Limited partnerships (tax benefits)

Design theme development

- .Private fundraising

Enclosures, plazas, bridges, walkways

- .When private redevelopment occurs, such improvements could be added in return for other development bonuses
- .Private Initiative, City abandons right-of-way
- .Special improvement district

Clean clutter

- .City provides in-kind assistance (sanitation trucks, personnel)

TENANT MIX

Attract desired tenants

- .No capital costs
- .Action managed by DDA or CDA staff

Expand Trade Area

- .No capital costs
- .Advertising costs shared by downtown merchants

MARKETING/ADVERTISING/PROMOTION

Media Support
Merchants Profile
Historical Heritage
Common Hours
Store lighting

- .All of these ideas require some management initiative, probably by the CDA with the cooperation by downtown retailers

ROLES AND RESPONSIBILITIES

This section suggests some roles and responsibilities that various downtown organizations might assume. These ideas should be evaluated carefully by each organization so that some mutually agreeable division of responsibilities can be adopted.

As revitalization evolves and as some issues become complex and time-consuming, roles and responsibilities will likely need readjusting.

Downtown Development Authority. This organization might assume responsibility for managing longer-term capital improvement programs such as streetscape, parking and redevelopment concerns. It is critical that a full-time manager be retained to assume these assignments.

The responsibility for maintaining the list of downtown tenants, available space, and property ownership might also be a DDA assignment.

The DDA should coordinate the "marketing teams" to solicit individual retailers and office tenants to downtown locations.

The DDA would likely request the services of the CDA, the Chamber of Commerce and the City for select assignments.

It is possible that the DDA manager could assume staff management responsibilities for the CDA. Another consideration would be that the two organizations share office space.

Cheyenne Downtown Association (CDA). This organization might continue responsibility for promotional efforts and might assume some additional responsibility for coordinating common hours, encouraging use of the design theme logo, scheduling merchandising workshops, etc.

The Greater Cheyenne Chamber of Commerce should retain its role as an advocate for "Greater Cheyenne" economic development. A primary service that the Chamber can provide to the downtown redevelopment initiative is to function as an active supporter of downtown redevelopment efforts and as a conduit for introducing new businesses that approach the Chamber to the DDA and CDA.

The City of Cheyenne. The City's role in downtown redevelopment might be to be responsive to downtown initiatives rather than to initiate them. The DDA and the CDA are expected to be downtown advocates and would approach the City for in-kind assistance, financial support, and technical support.

Downtown Property Owners. Each property owner may be asked to assist in supporting the DDA management expenses until it is self-sufficient. Some property owners may be asked to evaluate the feasibility of initiating facade or other improvement to their property.

If special improvement districts are created to finance streetscape, parking and other public improvements, the debt service would be repaid by district property owners on some pro-rata basis.

Each request for financial participation or private improvements would be on with the intent that the investment will yield a return to the owner, either in terms of higher rents and/or higher property values.

Downtown Tenants (Retailers and Office Tenants). Retailers and office tenants may be requested to participate in financing DDA management expenses until it is self-sufficient. In addition, individual tenants may be asked to join "marketing teams" to promote downtown to other prospective tenants.

COMMUNITY WORKSHOP RESULTS

On February 19, 1985 the City of Cheyenne, the Downtown Development Authority and the Cheyenne Downtown Association jointly sponsored a community workshop. Approximately 135 individuals participated in the workshop.

The purposes of the community workshop were:

- (1) To highlight results of this market analysis.
- (2) To describe some possible physical implications of this market analysis as well as other planning design and land use ideas in the community.
- (3) To suggest some possible downtown revitalization strategies.
- (4) Obtain community input regarding priority downtown revitalization projects.

After a presentation of the study results and possible revitalization strategies, the group of participants were asked to answer the following question:

"Imagine it is the year 1995 and downtown Cheyenne has become all that you knew it could be and you take personal pride in what has occurred. You are showing an out-of-town visitor all around downtown Cheyenne. Please share with us what single feature, event, improvement, idea or project in downtown Cheyenne that you are most proud of."

Each participant was asked to record two remarks on individual index cards. These index cards were read aloud and classified into several clusters of concepts.

The participants divided up into groups and each group was assigned to describe more succinctly the comments of the individual participants in a particular subject area. The results that follow are the participant's synopsis of the 108 individual comments received in the first part of the participation process. [A copy of individual participant remarks is available at the Cheyenne-Laramie County Regional Planning Office.]

Pedestrian, Trolley, Shuttle, Malls

1. Study a people type mover along Capitol Avenue and future expansions.
2. Study the possibility of creating a mall by covering alleys.

Economic Revitalization

1. Attract new businesses
 - a. a coordinating office between Chamber, IDAC, DDA, CDA and City Council.
2. Beautification of downtown to make it a nice place to spend money.
3. Attract visitor dollars, state employee dollars and local dollars.
4. Use more additional 1% sales tax money for downtown beautification.
5. Visitor park in downtown for tourists and shoppers.
6. A nice place is vital to revitalization; quality development, clean attractive places.
7. Maintain existing businesses (retail, professional, etc.) in downtown. Use zoning to encourage this.
8. People mover to assist employee shoppers.

Environmental Experience

1. Renovation of 15th Street with 1800 period look.
2. Landscape streets such as Capitol Ave., etc.
3. Park facilities with restrooms.
4. Expand parking facilities and landscape same.
5. Remodel existing storefronts to the original motif (such as Tivoli Building).

Museum And Heritage Center

1. Development of the Union Pacific Station and surrounding area into a historically attractive drawing point.
2. Develop the Wyoming State Museum, Heritage Center, and western cultural center.
3. The above RR station, museum, heritage center, could be located at corner or triangle corners of the downtown area, with a transportation system. (This would help circulate traffic into and through downtown as opposed to concentrating all activity at one point.)

Historical/Heritage Theme

1. Blending the historical frontier of the west with the new frontier of modern technology.
 - a. Define historical heritage
 1. railroad/cattle
 2. military
 - b. Incorporate state museum as part of the plan.
 - c. Encourage accentuation and restoration to create sense of "living history."
 1. Concentrate on defined historically significant buildings as identified by national register.
 2. Concentrate on development of overall theme (western).
 3. Consensus of public and private partnership.

Cultural/Arts and Dining

1. Promote and expand existing cultural offerings: Civic Center and year round melodrama.
2. Joint promotion of existing art galleries.
3. Rehab theatre for classic film series.
4. U.P. Plaza as focus for culture - entertainment.
5. Diversified restaurant - ethnic cuisine.
6. Encourage existing local musical groups to use downtown as a forum.

RETAIL ACTIVITY AND CURRENT MIX OF RETAIL BUSINESSES

OVERVIEW

This chapter summarizes historic retail activity and describes the current mix of retail businesses included in downtown. It is presented in the following sections:

- .Historic Retail Activity
- .Retail Sales in Central Business Districts
- .Current Inventory of Retail Businesses
- .Comparative Analysis of Retail Businesses: Downtown Cheyenne and Average Retail Shopping Center
- .Vacant Retail Space
- .Individual Business Types

HISTORIC RETAIL ACTIVITY

Historic retail trade activity in Laramie County and the State of Wyoming is presented in the table that follows in current and constant dollars. [Retail trade statistics presented throughout this analysis include trade from all taxable events except the sale of automobiles.]

- .Over the last 10 years, Laramie County retail sales have increased at an average annual compound rate of 9.3 percent in current dollars (not discounted for inflation) and at an average annual compound rate of 1.3 percent per year in constant dollars (discounted for inflation).
- .Over the last 10 years, Wyoming retail sales have increased at an average annual compound rate of 11.3 percent in current dollars and 3.3 percent in constant dollars.
- .Since 1980, Laramie County retail sales have increased at an annual average compound rate of 5.4 percent in current dollars. In constant dollars, retail sales declined.
- .Since 1981, Wyoming retail sales have decreased; if measured in constant dollars, the decrease has been at an average annual compound rate of 5.3 percent. This is due to significant energy-related declines in Campbell, Natrona, Sweetwater and Uinta counties.

RETAIL SALES: LARAMIE COUNTY AND WYOMING
FY 1972 - FY 1984

Jurisdiction & Fiscal Year	—Current Dollars—		—Constant (1972) Dollars —		Consumer Price Index
	\$	Index	\$	Index	Rate of Change
Laramie County					
FY 1972	\$ 85,162,567	100	\$ 85,162,567	100	3.4%
FY 1973	102,675,933	120	94,371,262	111	8.8%
FY 1974	118,402,033	139	96,971,362	114	12.2%
FY 1975	126,459,100	148	96,829,326	114	7.0%
FY 1976	143,778,667	169	105,024,592	123	4.8%
FY 1977	157,377,833	185	107,645,576	126	6.8%
FY 1978	151,890,450	178	95,348,682	112	9.0%
FY 1979	200,574,200	236	111,059,911	130	13.3%
FY 1980	233,103,225	274	113,764,385	134	13.5%
FY 1981	248,012,925	291	109,740,232	129	10.3%
FY 1982	262,101,094	308	109,208,789	128	6.2%
FY 1983	266,806,450	313	107,108,169	126	3.8%
FY 1984	287,441,925	337	110,724,933	130	4.2%
Wyoming					
FY 1972	\$ 533,637,133	100	\$533,637,133	100	3.4%
FY 1973	620,766,533	116	570,557,475	103	8.8%
FY 1974	720,456,308	135	590,054,306	111	12.2%
FY 1975	930,145,308	174	712,209,271	133	7.0%
FY 1976	1,048,688,733	196	766,025,371	144	4.8%
FY 1977	1,125,652,942	211	769,940,453	144	6.8%
FY 1978	1,305,029,383	245	819,227,485	154	9.0%
FY 1979	1,625,458,658	305	900,586,189	169	13.3%
FY 1980	1,892,322,075	355	923,534,444	173	13.5%
FY 1981	2,179,128,625	408	964,216,206	181	10.3%
FY 1982	2,142,342,051	401	892,642,521	167	6.2%
FY 1983	2,125,189,392	398	853,147,086	160	3.8%
FY 1984	2,124,400,942	398	818,336,264	153	4.2%

Sources: Retail Sales: Derived from Wyoming Tax Revenue Reports

Consumer Price Index: U.S. Department of Labor,
Bureau of Labor Statistics.

Historic retail sales in Laramie County is presented by sector in the table that follows. Note the following significant trends:

- .The volume of retail sales was 23 percent higher in FY 1984 than in FY 1980. Some sectors registered significant gains, while other sectors declined.
- .Sales in apparel and accessories increased 62 percent during this time interval, due in part to the development of the Frontier Mall and its ability to draw from a larger trade area than traditionally shopped in Laramie County.
- .Food store sales which represented 23 to 25 percent of total retail sales in FY 1984 increased 39 percent since FY 1980. This increase tracks closely with inflation; low profit margins in grocery store sales necessitates immediate increases in retail food prices when wholesale prices increase.
- .Sales in eating and drinking increased 48 percent from FY 1980 to FY 1984.
- .Auto service, general merchandise and home furnishings and equipment sales either declined or remained stable.

LARAMIE COUNTY: RETAIL TRADE BY SECTOR
Current Dollars and Indexed to 1980

	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>
Building Materials, Hardware (SIC 52)	\$ 17,855,575	\$ 19,359,225	\$ 26,041,341	\$ 20,694,425	\$ 20,749,500
General Merchandise (SIC 53)	41,077,500	40,706,650	42,070,126	41,578,875	40,713,925
Food Stores (SIC 54)	52,931,275	60,606,975	62,467,743	66,065,225	73,576,050
Auto Service (SIC 55)	42,395,315	38,568,350	32,649,360	30,443,300	33,104,100
Apparel and Accessories (SIC 56)	13,590,315	15,808,800	19,723,963	21,509,950	22,027,350
Furniture, Home Furnishings and Equipment (SIC 57)	12,065,400	12,354,250	11,319,978	12,062,300	12,494,325
Eating and Drinking (SIC 58)	32,274,350	36,451,325	40,585,904	46,239,550	47,710,475
Miscellaneous (SIC 59)	20,909,375	24,157,350	27,242,680	28,212,825	37,066,200
TOTAL	<u>\$233,103,225</u>	<u>\$248,012,925</u>	<u>\$262,101,095</u>	<u>\$266,806,450</u>	<u>\$287,441,925</u>

<u>Indexed Values</u>	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>
Building Materials	100	108	146	116	116
General Merchandise	100	99	102	101	99
Food Stores	100	114	118	125	139
Auto Service	100	91	77	72	78
Apparel & Accessories	100	116	145	158	162
Furniture, Home Furnishings & Equipment	100	102	94	100	104
Eating and Drinking	100	113	126	143	148
Miscellaneous	100	116	130	135	177
TOTAL	100	106	112	114	123

Source: Wyoming Tax Revenue Reports, Division of Research and Statistics,
Department of Administration and Fiscal Control.

A comparison of retail sales by sector is presented in the table that follows for Laramie and Natrona Counties, the State of Wyoming and the United States. Note the following:

.The distribution of retail sales by sector in Laramie County generally parallels the distribution for the United States, with a few interesting exceptions.

.Eating and drinking sales in Laramie County are proportionately higher than sales in Natrona County, Wyoming and the United States.

.Laramie County registers proportionately higher sales in apparel and accessories than in Natrona County, Wyoming or the United States. Again, this is likely due to the presence of Frontier Mall.

.Laramie County has proportionately fewer sales in auto parts, accessories and service than Natrona County or the United States.

DISTRIBUTION OF RETAIL SALES BY SECTOR

<u>Sector</u>	<u>Laramie County (FY 84)</u>	<u>Natrona County (FY 84)</u>	<u>Wyoming (FY 84)</u>	<u>United States (1982)</u>
Building Material, Hardware (SIC 52)	7.2%	8.9%	10.2%	5.4%
General Merchandise (SIC 53)	14.2%	15.5%	12.3%	14.4%
Food Stores (SIC 54)	25.6%	27.0%	27.6%	27.6%
Auto Service (SIC 55)	11.5%	13.0%	11.8%	13.7%
Apparel & Accessories (SIC 56)	7.7%	5.7%	4.8%	5.7%
Furniture, Home Furnishings and Equipment (SIC 57)	4.3%	6.1%	4.2%	5.1%
Eating & Drinking (SIC 58)	16.6%	12.7%	15.0%	11.7%
Miscellaneous (SIC 59)	12.9%	11.0%	14.2%	16.4%
TOTAL RETAIL	100.0%	100.0%	100.0%	100.0%

RETAIL SALES IN CENTRAL BUSINESS DISTRICTS

The proportion of sales and shops in the central business districts of a number of larger cities in Wyoming and Colorado are presented in the following graphic and series of tables. The data for Colorado cities is from the year 1977; the data for Casper, Wyoming is from 1982. Unfortunately, similar statistics are not available for Cheyenne, since Cheyenne is not within a standard metropolitan statistical area and is not surveyed by the Bureau of the Census.

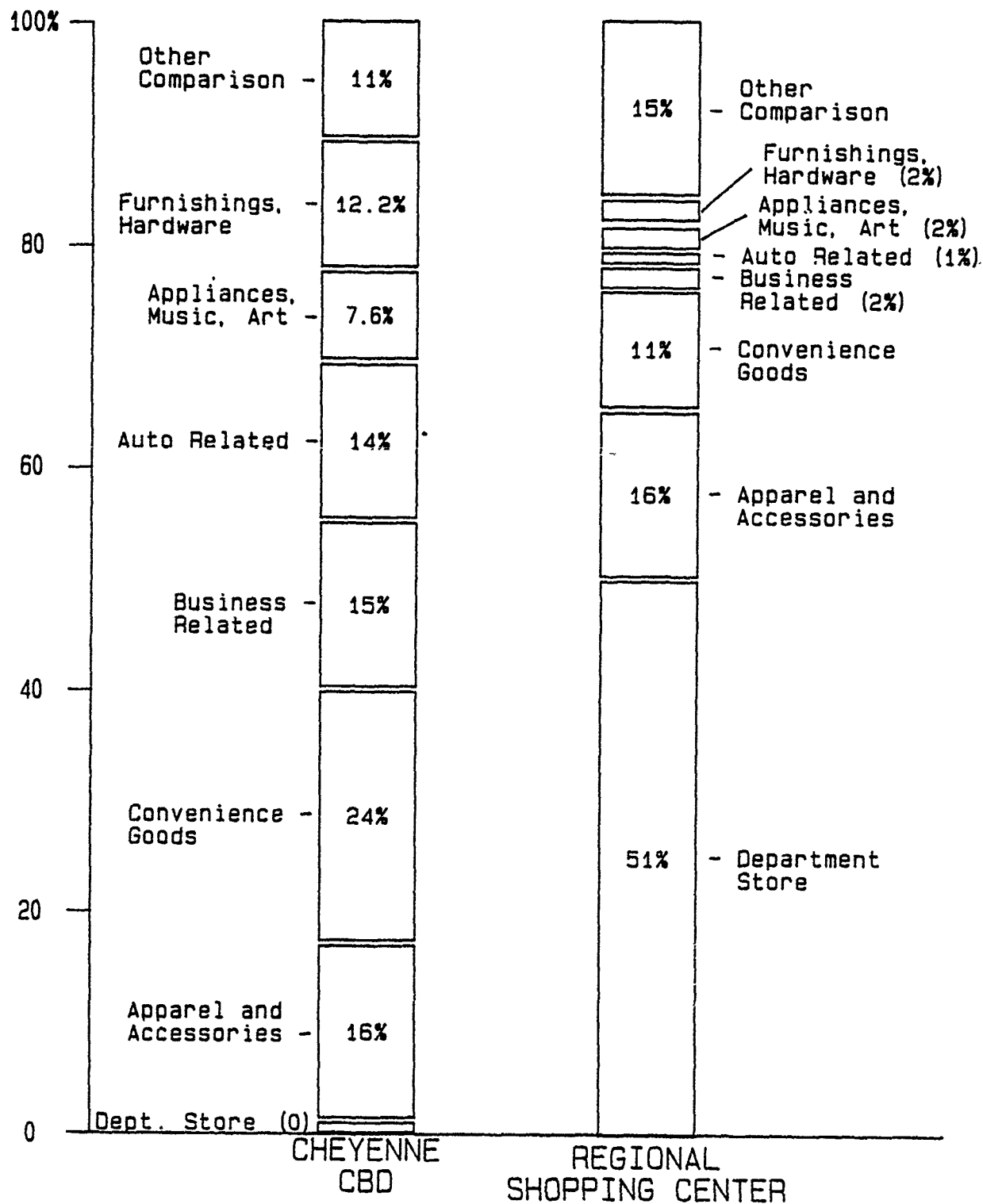
Between 10 and 18 percent of total retail sales occurred within the central business districts of the seven Colorado Front Range cities and Casper, Wyoming, as presented in the table that follows. Casper registered the highest percentage of central business district retail sales (18.4%); this was prior to full development of East Ridge Mall, on the eastern edge of the City. Colorado Springs registered the lowest proportion of retail sales (9.7%) due to its relatively stagnant downtown and the recent development of major shopping centers on the northern and southern edges of the City.

The number of stores within central business districts ranged between 10 and 27 percent. In most cities, there were proportionately more stores in the central business district than sales, suggesting that the average central business district store registers a lower volume of sales than its suburban counterpart.

The proportion of comparison, convenience and other retail sales in central business districts is presented for three cities for which data is available. In Casper and Denver, the proportion of comparison goods sales is significantly higher than the proportion of convenience goods sales in the central business district. While between 27 and 29 percent of total comparison goods sales occurred within these central business districts, only 5 to 6 percent of convenience goods sales occurred within the central business district. In Aurora, the proportion of convenience goods sales is greater than comparison goods sales. This is because the traditional central business district of Aurora is the old commercial strip along East Colfax Avenue. This area has faced consistent decline as newer retail activity has developed around the Aurora Mall and in newer suburban portions of the City.

The proportion of comparison, convenience and other retail stores in central business districts is available for a wider sampling of cities. Again, the proportion of comparison goods stores within central business districts is higher than the proportion of convenience goods stores.

PROPORTION OF SQUARE FOOTAGE CHEYENNE CENTRAL BUSINESS DISTRICT AND MEDIAN REGIONAL SHOPPING CENTER



RETAIL SALES AND NUMBER OF STORES
CENTRAL BUSINESS DISTRICTS IN SAMPLING OF CITIES

<u>Cities</u>	<u>Sales</u>			<u>Number of Stores</u>		
	<u>Central Business District</u>	<u>Other</u>	<u>Total</u>	<u>Central Business District</u>	<u>Other</u>	<u>Total</u>
Aurora	11.9%	88.1%	100.0%	16.7%	83.3%	100.0%
Boulder	17.8%	82.2%	100.0%	26.9%	73.1%	100.0%
Casper	18.4%	81.6%	100.0%	22.1%	77.9%	100.0%
Colorado Springs	9.7%	90.3%	100.0%	11.0%	89.0%	100.0%
Fort Collins	19.2%	80.8%	100.0%	25.3%	74.7%	100.0%
Greeley	(D)*	(D)*	100.0%	27.1%	72.9%	100.0%
Pueblo	(D)*	(D)*	100.0%	17.4%	82.6%	100.0%
Denver	11.3%	88.7%	100.0%	9.7%	90.3%	100.0%

* Not disclosed

Sources: 1977 and 1982 Census of Retail Trade, U.S. Department
of Commerce, Bureau of the Census.

DISTRIBUTION OF RETAIL SALES
COMPARISON, CONVENIENCE AND OTHER GOODS
CENTRAL BUSINESS DISTRICT AND OTHER LOCATIONS
SELECTED CITIES

	- - Proportion of Retail Sales - -		
	<u>Central Business</u>	<u>Other</u>	<u>Total</u>
AURORA			
Comparison Goods	5.4%	94.6%	100.0%
Convenience Goods	13.8%	86.2%	100.0%
Other	17.5%	82.5%	100.0%
Total	11.9%	88.1%	100.0%
CASPER			
Comparison Goods	29.0%	71.0%	100.0%
Convenience Goods	5.1%	94.9%	100.0%
Other	22.8%	77.2%	100.0%
Total	18.4%	81.6%	100.0%
DENVER			
Comparison Goods	26.6%	77.4%	100.0%
Convenience Goods	6.3%	93.7%	100.0%
Other	3.0%	97.0%	100.0%
Total	11.3%	88.7%	100.0%

Sources: Casper: 1982 Census of Retail Trade, U.S.
Department of Commerce, Bureau of
the Census, 1984.

Aurora
& Denver: 1977 Census of Retail Trade, U.S.
Department of Commerce, Bureau of
the Census, 1984.

PERCENTAGE DISTRIBUTION OF STORES
COMPARISON, CONVENIENCE AND OTHER GOODS
CENTRAL BUSINESS DISTRICT AND OTHER LOCATIONS
SELECTED CITIES

	- - - Proportion of Stores - - -		
	<u>Central Business</u>	<u>Other</u>	<u>Total</u>
AURORA			
Comparison Goods	12.7%	87.3%	100.0%
Convenience Goods	17.5%	82.5%	100.0%
Other	20.3%	79.7%	100.0%
Total	16.7%	83.3%	100.0%
BOULDER			
Comparison Goods	30.6%	69.4%	100.0%
Convenience Goods	31.4%	68.6%	100.0%
Other	18.0%	82.0%	100.0%
Total	27.0%	73.0%	100.0%
CASPER			
Comparison Goods	33.3%	66.7%	100.0%
Convenience Goods	18.0%	82.0%	100.0%
Other	27.3%	72.7%	100.0%
Total	26.8%	73.2%	100.0%
COLORADO SPRINGS			
Comparison Goods	17.4%	82.6%	100.0%
Convenience Goods	9.6%	90.4%	100.0%
Other	6.6%	93.4%	100.0%
Total	11.0%	89.0%	100.0%
DENVER			
Comparison Goods	13.5%	86.5%	100.0%
Convenience Goods	10.0%	90.0%	100.0%
Other	6.5%	93.5%	100.0%
Total	8.8%	91.2%	100.0%
FORT COLLINS			
Comparison Goods	29.3%	70.7%	100.0%
Convenience Goods	25.1%	74.9%	100.0%
Other	21.3%	78.7%	100.0%
Total	25.2%	74.8%	100.0%

COMPARISON, CONVENIENCE AND OTHER GOODS (Continued)

	- - - Proportion of Stores - - -		
	<u>Central</u>	<u>Other</u>	<u>Total</u>
	<u>Business</u>		
GREELEY			
Comparison Goods	40.2%	59.8%	100.0%
Convenience Goods	21.3%	78.7%	100.0%
Other	20.0%	80.0%	100.0%
Total	26.4%	73.6%	100.0%
PUEBLO			
Comparison Goods	22.2%	77.8%	100.0%
Convenience Goods	14.0%	86.0%	100.0%
Other	17.5%	82.5%	100.0%
Total	17.4%	82.6%	100.0%

Sources: Casper: 1982 Census of Retail Trade, U.S.
Department of Commerce, Bureau of
the Census

Other:
Cities 1977 Census of Retail Trade, U.S.
Department of Commerce, Bureau of
the Census

CURRENT INVENTORY OF RETAIL BUSINESSES

As of October, 1984, there were an estimated 174 businesses engaged in consumer-related and business-related retail trade in downtown Cheyenne, as summarized in the table below. These businesses collectively represent approximately 720,000 square feet of occupied retail space.

SUMMARY OF DOWNTOWN CHEYENNE RETAIL BUSINESSES

<u>Type of Activity</u>	<u>Businesses</u>		<u>Square Footage</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>
Consumer Comparison Goods and Services	93	53.5%	440,334	61.1%
Consumer Convenience Goods and Services	51	29.3%	174,262	24.2%
Business-Related Retail Goods and Services	30	17.2%	105,743	14.7%
TOTAL	174	100.0%	720,339	100.0%

Sources: CFI Survey, 10/84; based on Laramie County Tax Assessor files and field checks.

Approximately 54 percent of the retail businesses and 61 percent of the retail square footage is committed to consumer comparison goods and services. Convenience goods and services represent approximately 30 percent of the retail businesses and approximately 24 percent of the square footage. Business-related goods and services represent approximately 17 percent of all businesses and 15 percent of the retail square footage.

**MIX OF RETAIL BUSINESS
DOWNTOWN CHEYENNE**

	<u># of Shops</u>	<u>Square Footage</u>
COMPARISON GOODS		
Apparel & Accessories	17	112,377
Appliances, Radio, TV	3	16,142
Art/Music	9	39,022
Auto Sales,		
Accessories & Repair	15	94,631
Books/Cards, Gifts,		
Jewelry	15	27,768
Furnishings, Paint		
Hardware, Garden	10	87,703
Second Hand, Pawn	3	22,404
Service Station	7	8,479
Sporting Equipment/Hobby	6	10,154
Miscellaneous	8	21,654
Subtotal	<u>93</u>	<u>440,334</u>
CONVENIENCE GOODS		
Beauty/Barber	11	16,667
Drugstore	2	7,829
Eating & Drinking	24	103,545
Grocery	3	23,800
Liquor	1	1,742
Other Personal Services	10	20,679
Subtotal	<u>51</u>	<u>174,262</u>
BUSINESS-RELATED RETAIL		
Building, Construction		
Materials	6	16,248
Plumbing & Electric		
Equipment	3	6,449
Printing	3	25,476
Office Supplies	8	36,329
Other	10	21,241
Subtotal	<u>30</u>	<u>105,743</u>
TOTAL	174	720,339

Source: CFI Survey, 10/84; based on Laramie County Tax Assessor Files, property owners, shop owners, and real estate agents.

COMPARATIVE ANALYSIS OF RETAIL BUSINESSES:
DOWNTOWN CHEYENNE AND AVERAGE REGIONAL SHOPPING CENTER

A careful tenant mix is among the most significant factors in the success of a regional shopping center. Regional shopping centers throughout the country aim for a very specific mix of tenants which are designed to suit shopper expenditure patterns and enhance spending per visit.

Goods and services offered in a typical regional shopping center (medium square footage: 480,000) have been compared with the distribution of the same goods and services represented by downtown Cheyenne businesses; these results are presented in the two tables that follow.

There are significant dissimilarities between the optimal distribution of retail square footage within a regional shopping center and downtown Cheyenne, due to different functions that each perform. These major differences are summarized below.

.While downtown Cheyenne is entirely comprised of specialty centers, 51 percent of regional shopping center space is typically occupied by department stores.

.Eating and drinking square footage occupies 14 percent of the downtown Cheyenne space; in regional centers, only 3.4 percent of all retail space is occupied by eating and drinking establishments.

.Downtown Cheyenne attracts a market segment practically absent in regional shopping centers. Nearly 15 percent of the retail space in downtown Cheyenne is occupied with retailers catering to business customers. Only 1.5 percent of space in regional shopping centers caters to this use.

PERCENTAGE DISTRIBUTION OF RETAIL SQUARE FOOTAGE
DOWNTOWN CHEYENNE
AND MEDIAN REGIONAL SHOPPING CENTER

	<u>Downtown Cheyenne</u>	<u>Median Regional Shopping Center</u>
Department Store	0.0%	51.1%
Consumer Comparison Goods		
General Merchandise	0.0%	6.9%
Apparel & Accessories	15.6%	15.5%
Appliances/Music/Art	7.6%	1.4%
Auto Accessories & Service	14.3%	0.5%
Gifts/Specialty/Jewelry	3.9%	3.9%
Home Furnishings/Building Materials/Garden	12.2%	1.7%
Second Hand	3.1%	0.0%
Sporting Goods/Hobby	1.4%	1.8%
Miscellaneous	3.0%	4.9%
Subtotal	<u>61.1%</u>	<u>36.6%</u>
Consumer Convenience Goods		
Personal Services	5.2%	1.1%
Drugs	1.1%	1.8%
Eating & Drinking	14.4%	3.4%
Grocery	3.3%	4.3%
Liquor	0.2%	0.2%
Subtotal	<u>24.2%</u>	<u>10.8%</u>
Business-Related Retail	14.7%	1.5%
TOTAL	100.0%	100.0%

Sources: Urban Land Institute, Dollars and Cents of Shopping Centers: 1984
and CFI Survey of Downtown Cheyenne Businesses.

PERCENTAGE DISTRIBUTION OF RETAIL SQUARE FOOTAGE
DOWNTOWN CHEYENNE
AND MEDIAN REGIONAL SHOPPING CENTER

	<u>Downtown Cheyenne</u>	<u>Median Regional Shopping Center</u>
Department Store	0	245,013
Consumer Comparison Goods		
General Merchandise	0	33,084
Apparel & Accessories	112,377	74,319
Appliances/Music/Art	71,628	6,713
Auto Accessories & Service	103,110	2,397
Gifts/Specialty/Jewelry	27,768	18,700
Home Furnishings/Building Materials/Garden	71,239	8,151
Second Hand	22,404	0
Sporting Goods/Hobby	10,154	8,631
Miscellaneous	21,654	23,494
Subtotal	<u>440,334</u>	<u>175,489</u>
Consumer Convenience Goods		
Personal Services	37,346	5,274
Drugs	7,829	8,631
Eating & Drinking	103,545	16,302
Grocery	23,800	20,617
Liquor	1,742	959
Subtotal	<u>174,262</u>	<u>51,783</u>
Business-Related Retail	105,743	7,192
TOTAL	<u>720,339</u>	<u>479,477</u>

Sources: Urban Land Institute, Dollars and Cents of Shopping Centers: 1984
and CFI Survey of Downtown Cheyenne Businesses.

VACANT RETAIL SPACE

There is approximately 143,056 square feet of space which could be occupied by retail businesses within downtown Cheyenne. This space is located in 30 structures; available space ranges in size between 550 and 48,000 square foot. Typical vacant space ranges between 1,500 and 5,500 square feet. The largest vacant spaces include the Stevens Hotel (estimated 25% retail) and 202 E. 17th (the J.C. Penney building).

RETAIL VACANCIES: DOWNTOWN CHEYENNE

<u>Location</u>	<u>Square Footage</u>
202 17th	48,048
1615 Central	9,504
408-10 18th	8,712
15th & Pioneer	8,008
219.5 W. 16th	6,336
321 Lincoln Way	7,762
122 E. 17th	5,500
1722 Carey	5,346
Other Space In Smaller Increments	43,840
TOTAL	143,056

Source: CFI Survey, 10/84.

This current vacant space excludes some upper-floor areas which might be used for office or retail storage and some vacant warehouse space, which is more suited for industrial uses.

Current retail vacancies in downtown Cheyenne are approximately 16 percent, as summarized below.

TOTAL RETAIL SPACE BY USE: DOWNTOWN CHEYENNE

Occupied Retail Space	720,339
Vacant Retail Space	143,056
TOTAL	863,395
Vacancy Rate	16.6%

INDIVIDUAL BUSINESS TYPES

This section discusses a number of individual business types and their continuing role in downtown Cheyenne.

Specialty, Apparel and Shoe Stores

There are 17 apparel, shoe and accessory stores in downtown Cheyenne collectively representing 112,400 square feet. Fowlers contains 39 percent of this total square footage.

The absence of a men's specialty clothing store, due to the recent closure of Stark's, due to the retirement of its owner, and the absence of a traditional clothing store for professional women and men presents some near-term opportunities for additional retail activity in downtown Cheyenne. Higher-end specialty clothing stores typically do not locate within a shopping center; these types of businesses typically develop a loyal base of customers for whom they provide relatively personalized attention.

A wider diversity of specialty apparel and shoe stores often improves retail sales at each specialty store, since the collection of businesses increases traffic flow for all businesses.

Art and Music Stores

There are 9 art and music stores which collectively represent 39,022 square feet. Clearly downtown Cheyenne is the unchallenged center of art with an unusually high number of galleries, plus 2 dance studios and the Civic Center. A few art galleries in Cheyenne cater to a market area much greater than Laramie County, northern Colorado, and eastern Nebraska.

If a strategic group advertising and target marketing campaign is developed for the cluster of art galleries in Cheyenne, there may be an interesting opportunity to cultivate the role of downtown Cheyenne as a center for certain types of art.

Appliances, Radio and TV

There are 3 shops in this category which collectively represent 16,142 square feet. This type of store will continue to meet competitive pressures from the community and regional shopping centers.

Jewelry Stores

There are 2 jewelry stores in downtown Cheyenne, Burri Jewelers and Western Gems. In addition, some gift stores, such as Plains Gifts, carry some jewelry.

Typically, non-chain established jewelry stores such as Burri, continue to function in their established locations. Larger, chain jewelry stores traditionally locate within regional shopping centers. In Cheyenne, Burri Jewelers has elected to locate both downtown and in the Frontier Mall.

Bookstores, Gift and Card Shops

There are 11 shops which offer books, gifts and cards in downtown Cheyenne. Each store in this category confronts direct competition from department stores and national chains located in the Frontier Mall.

With the employment base within downtown, including the government employees, there may be an adequate market base to attract a full-service bookstore. However, bookstores are traditionally low-profit-margin operations and must offer unique personalized services to compete with the national chain bookstores which can discount best-seller books.

Eating and Drinking Establishments

There are 24 eating and drinking establishments within downtown Cheyenne including 11 fast-food or coffee shops. Although there are a number of fine restaurants, there are no formal (tablecloth) restaurants designed to cater to the downtown business community. Traditionally, the business community leaves downtown for its important business breakfasts, luncheons or dinners. With the extensive number of employees and business activity within the downtown area, the addition of one or two formal restaurants which provide good food at fair prices in a quiet, comfortable setting should perform well in the market.

Drugstores

There are 2 drugstores within downtown Cheyenne, including one full-service drugstore (Rodels). Drugstores typically provide convenience items; shoppers are not willing to travel great distances to purchase typical drugstore items. For this reason, it does appear, that an additional drugstore in the southern portion of the downtown area would be supported by downtown shoppers.

Automotive Services

There are 15 businesses engaged in providing automotive services, automotive sales, or automotive accessories. Most of these businesses are located in the northern portion of downtown. Typically, as downtown areas redevelop, automotive dealers which require extensive land coverage, relocate to the suburban portions of the community as land values enable them to yield a good return on their current site and as other dealerships relocate to suburban settings. The property owned by automotive dealerships often offers excellent redevelopment potential.

The current cluster of automotive service and accessory businesses are conveniently situated to the major employment center. Consideration might be given to the consolidation of not only auto service and repair but other appliance and construction trades repair in this portion of downtown. Coordinated signage and redevelopment requirements could enable these types of businesses to provide a useful complement to other businesses in the central business district without presenting a visual eyesore.

Business-Oriented Retail Shops

There are 8 retail shops catering primarily to the business community; these shops collectively represent approximately 36,300 square feet. Downtown Cheyenne contains the largest concentration of business-oriented retail shops and should continue to provide this special service.

Consideration should be given to encouraging the additional concentration of business-oriented retail shops through special efforts to attract additional computer and equipment stores as they elect to move to the Cheyenne area.

RETAIL MARKET POTENTIAL

OVERVIEW

This chapter summarizes estimates of retail demand for convenience and comparison goods from various sources that influence the Cheyenne market.

The analysis focuses first on retail market potential for Laramie County and then steps down to Cheyenne and the downtown area.

The analysis estimates the total dollar volume of retail purchases generated by the Laramie County primary and secondary trade area for convenience and comparison goods and services and that portion of total goods and services purchases that could be expected to be spent within Laramie County by these market area non-military residents.

In addition, retail demand associated with four other sources of activity functioning in the Laramie County trade area are estimated:

- . Non-resident employees
- . Travel and Tourism
- . FE Warren Air Force Base (Warren AFB) Military Households
- . Business purchases

Retail demand estimates from these five sources of demand, resident (non-military) households, non-resident employees, travel/tourism, Warren AFB, and businesses are compared with actual retail sales in Laramie County. The difference, "potential demand", represents an additional volume of retail trade that Laramie County could reasonably expect to have today.

$$\begin{array}{rcccl} \left(\begin{array}{c} \text{Retail Demand} \\ \text{for Goods and Services} \\ \text{in Laramie County} \end{array} \right) & - & \left(\begin{array}{c} \text{Retail Sales in} \\ \text{Laramie County} \end{array} \right) & = & \begin{array}{c} \text{"Potential"} \\ \text{Demand} \\ \text{in Laramie County} \end{array} \\ \$353,671,760 & - & \$287,441,925 & = & \$66,229,835 \end{array}$$

As described in Chapter 4, downtowns have historically captured between approximately 10 and 18 percent of total retail sales in a sampling of Colorado Front Range cities and Casper, Wyoming. If we estimate that Cheyenne captures 95 percent of total County retail sales* and the downtown captures 15 percent of total City retail sales, then approximately 14 percent of the potential retail demand might be captured by downtown Cheyenne retail businesses. This capture equates to \$9,281,979, which is roughly equivalent to 74,250 square feet of space. (\$125 retail sales per square foot.)

*The Cheyenne Urban Area contains approximately 92 percent of total County residents.

Retail demand in Laramie County for convenience and comparison goods and services and 1983 retail sales are summarized in the table that follows.* Note that current "potential demand" is estimated at approximately \$66 million. This means that Laramie County retail businesses could expect to capture an additional \$66 million worth of retail sales and services if the right:

- . inventory of goods and services were available;
- . advertising and promotion were effective;
- . transportation, shopping hours, and other convenience services were available.

This leakage in retail trade is not only in retail (shopper) goods, but also travel-related retail services, excluding lodging and excluding vehicle purchases.

Estimates of retail demand from travel/tourism, Warren AFB, and business purchases are designed to mirror current conditions. Estimates of resident household retail demand are designed to estimate what is "achievable" given reasonable estimates of the proportion of trade that Laramie County can expect to capture.

* Comparison goods are generally more expensive shopper goods for which the consumer will travel further and "comparison shop" to get the quality and price they seek; examples include clothing, furniture, and automobiles. Convenience goods are less expensive items; shoppers typically purchase these in close proximity to where they work or live; examples include personal care items and groceries.

Each source of demand is discussed more specifically in the sections that follow. [Note that retail demand for motor vehicles has been excluded from the analysis, since retail sales estimates are not readily available.]

**1983 RETAIL DEMAND AND RETAIL SALES: LARAMIE COUNTY
CONVENIENCE AND COMPARISON GOODS AND SERVICES**

<u>1983 Retail Demand</u>	<u>\$</u>
Trade Area Non-Military Residents	\$260,152,429
Non-Resident Employees	419,764
Travel/Tourism	52,091,610
Warren AFB	15,207,957
Business Purchases	<u>25,800,000</u>
TOTAL	\$353,671,760
 FY 1984 Retail Sales	 \$287,441,925
 Current Potential Demand	 \$66,229,835

Forecasted retail demand in the Laramie County trade area generated by trade area residents between 1983 and 2000 is expected to increase from \$260,152,429 to \$335,754,223 in constant 1983 dollars, or an average of \$6.9 million per year. These estimates are summarized in the table that follows and in more detail later in the chapter.

**FORECASTED RETAIL DEMAND BY TRADE AREA (NON-MILITARY) RESIDENTS
LARAMIE COUNTY PRIMARY AND SECONDARY TRADE AREAS
1983 - 1992
(in constant 1983 dollars)**

<u>Year</u>	<u>Comparison Goods & Services</u>	<u>Convenience Goods & Services</u>	<u>Total</u>
1983	\$170,897,168	\$ 89,255,261	\$260,152,429
1985	\$180,725,939	\$ 94,623,020	\$275,348,959
1990	\$208,037,758	\$109,401,297	\$317,439,055
1992	\$219,835,954	\$115,918,269	\$335,754,223

SOURCE: Subsequent tables.

The method to calculate trade area residents retail demand was prepared by Coley/Forrest. The base data and methodology to measure retail trade from non-resident employees, travel and tourism and business purchases are derived from the Economic Base Analysis Working Papers prepared in conjunction with the Peacekeeper Missile Environmental Impact Study. The base data and methodology to measure the Warren AFB impact directly is from a study prepared by the Air Force and included in the Peacekeeper Missile Environmental Impact Study.

RETAIL DEMAND FROM TRADE AREA HOUSEHOLDS

Retail demand from Laramie County primary, secondary and tertiary trade area households has been forecasted by calculating:

- total households times 1983 median household income to estimate total personal income in the trade areas;
- the proportion of total personal income that is spent on comparison and convenience goods and services by trade area households;
- the total "achievable" expenditures for comparison and convenience goods and services by trade area households within Laramie County.

Total 1983 personal income of the 45,114 non-military households in the primary and secondary trade areas was approximately \$1.1 billion.

PERSONAL INCOME IN PRIMARY, SECONDARY AND TERTIARY TRADE AREAS (In constant 1983 dollars)

	<u>Households</u>	<u>Median* Household Income</u>	<u>Total Personal Income</u>
Primary Trade Area:			
Cheyenne Urban Area			
1983	22,458	\$28,513	\$640,344,954
1985	23,821	28,513	679,208,173
1990	27,563	28,513	785,903,819
1992	29,220	28,513	833,149,860
Secondary Trade Area:			
Remainder of Laramie County and Goshen County			
1983	6,726	\$22,100	\$148,644,600
1985	6,993	22,100	154,545,300
1990	7,901	22,100	174,612,100
1992	8,224	22,100	181,750,400
Tertiary Trade Area:			
Albany, Platte and Kimball County			
1983	15,930	\$24,232	\$386,015,760
1985	16,830	24,232	407,824,560
1990	18,850	24,232	456,773,200
1992	19,720	24,232	477,855,040

*1983 Effective Buying Income, 1984 Survey of Buying Power, Sales and Marketing Management plus estimate of tax payments, derived from After-Tax Money Income Estimates of Households: 1982, U.S. Department of Commerce, Bureau of the Census, 7/84.

Nationwide, the Bureau of Labor Statistics estimates that 26.7 percent of total personal income is spent on comparison goods and services [excluding vehicle purchases] and that 15.0 percent is spent on convenience goods. Detailed expenditures are presented on a subsequent page. This means that trade area households spent an estimated \$313,726,419 on comparison goods and services and \$176,250,797 on convenience goods and services. These calculations are presented in subsequent tables.

When Cheyenne trade area functions within the broader market, we do not anticipate that 100 percent of comparison and convenience goods and services purchased by trade area households will be purchased in Laramie County.

For example, we anticipate that Cheyenne Urban Area households will spend 80 percent of their comparison goods expenditures in the County and 20 percent of their expenditures outside of the County in Laramie, Greeley, Fort Collins, Boulder, Denver and other locations.

For convenience goods and services, we anticipate that Cheyenne Urban Area households would spend a significant (90 percent) of their expenditures in the County, and that secondary trade area households would spend only 10 percent of their convenience goods and services dollars in the County.

DISTRIBUTION OF CONSUMER SPENDING:
3-PERSON HOUSEHOLD

<u>Type of Purchase</u>	<u>Percent of Annual Household Income</u>
Comparison Goods and Services	
Apparel and Shoes	5.8%
Auto Parts, Gasoline	7.5%
Home Furnishings and Appliances	3.7%
House Upkeep, Miscellaneous	2.7%
Reading Materials	0.4%
Recreation	5.0%
Education	1.0%
Vehicle Purchase	6.8%
Miscellaneous	0.6%
Subtotal	<u>33.5%</u>
Convenience Goods and Services	
Food and Beverage	14.1%
Personal Care	0.9%
Subtotal	<u>15.0%</u>
Non-Retail	
Interest Payments	0.9%
Shelter (rent, mortgage & utilities)	15.0%
Contributions	3.3%
Medical Care	4.2%
Personal Insurance & Pensions	7.1%
Personal Taxes	16.1%
Net Changes in Assets & Liabilities	4.9%
Subtotal	<u>51.5%</u>
TOTAL	100.0%

Source: Consumer Expenditure Survey, Survey Series:
Interview Survey, Bureau of Labor Statistics,
U.S. Department of Labor, August, 1978.

**"ACHIEVABLE" RETAIL EXPENDITURES IN LARAMIE COUNTY
FOR COMPARISON GOODS AND SERVICES
RESIDENT (NON-MILITARY) TRADE AREA HOUSEHOLDS
(Constant 1983 Dollars)**

<u>Trade Area and Year</u>	<u>Total Expendi- tures (26.7% of Personal Income)</u>		<u>"Achievable" Expen- ditures in Laramie County</u>
		<u>%</u>	<u>\$</u>
Primary Trade Area:			
Cheyenne Urban Area			
1983	\$170,972,103	80%	\$136,777,682
1985	181,348,582	80%	145,078,866
1990	209,836,320	80%	167,869,056
1992	222,451,013	80%	177,960,811
Secondary Trade Area:			
Remainder of Laramie and Goshen County			
1983	\$39,688,108	60%	\$23,812,865
1985	41,263,595	60%	24,758,157
1990	46,621,431	60%	27,972,858
1992	48,527,357	60%	29,116,414
Tertiary Trade Area:			
Albany, Platte and Kimball County			
1983	\$103,066,208	10%	\$10,306,621
1985	108,889,158	10%	10,888,916
1990	121,958,444	10%	12,195,844
1992	127,587,295	10%	12,758,729
Total Resident Household Expenditures			
1983	\$313,726,419	54%	\$170,897,168
1985	331,501,335	54%	180,725,939
1990	378,416,195	54%	208,037,758
1992	398,565,665	54%	219,835,954

**"ACHIEVABLE" RETAIL EXPENDITURES IN LARAMIE COUNTY
FOR CONVENIENCE GOODS
RESIDENT (NON-MILITARY) TRADE AREA HOUSEHOLDS
(Constant 1983 Dollars)**

<u>Trade Area and Year</u>	<u>Total Expendi- tures (15.0% of Personal Income)</u>	<u>"Achievable" Expen- ditures in Laramie County</u>	
		<u>%</u>	<u>\$</u>
Primary Trade Area: Cheyenne Urban Area			
1983	\$ 96,051,743	90%	\$ 86,446,569
1985	101,881,226	90%	91,693,103
1990	117,885,573	90%	106,097,015
1992	124,972,479	90%	112,475,231
Secondary Trade Area: Remainder of Laramie and Goshen County			
1983	\$22,296,690	10%	\$2,229,669
1985	23,181,795	10%	2,318,180
1990	26,191,815	10%	2,619,182
1992	27,262,560	10%	2,726,256
Tertiary Trade Area: Albany, Platte and Kimball County			
1983	\$57,902,364	1%	\$579,023
1985	61,173,684	1%	611,737
1990	68,509,980	1%	685,100
1992	71,678,256	1%	716,782
Total Resident Household Expenditures			
1983	\$176,250,797	51%	\$ 89,255,261
1985	186,236,705	51%	94,623,020
1990	212,587,368	51%	109,401,297
1992	223,913,295	51%	115,918,269

NONRESIDENT EMPLOYEES

Employees working within the primary trade area (Laramie County) but residing outside of the primary and secondary trade areas have an additional impact on retail activity.

An estimated 496 employees work within Laramie County and reside outside of the primary and secondary trade areas. The residence of these employees is summarized below:

RESIDENCE OF EMPLOYEES WORKING IN LARAMIE COUNTY AND RESIDING OUTSIDE TRADE AREAS

<u>County</u>	<u>#</u>	<u>%</u>
Larimer County, CO	293	59%
Weld County, CO	104	21%
Other Counties	99	20%
TOTAL	496	100%

SOURCE: Economic Base Analysis, Working Paper #5,
Peacekeeper EIS, URS-Berger, 2/84.

The median income of these employees is estimated to be \$13,922* in 1980, or an equivalent of \$16,926 in 1983. Assuming that these employees spend 10 percent of their comparison goods and 10 percent of their convenience goods in Laramie County, then these non-resident employees represented an additional \$419,764 in local retail sales in 1983.

1983 RETAIL SALES EXPENDITURE CALCULATIONS NON-TRADE AREA RESIDENTS

Employees:	496
1983 Median Income	\$16,926
Total Personal Income	\$8,395,296
Total Comparison Goods	
Expenditures: (32.8%)	\$2,753,657
% spent in Laramie County (10%)	\$275,365
Total Convenience Goods	
Expenditures: (17.2%)	\$1,443,991
% spent in Laramie County (10%)	\$144,399

* Economic Base Analysis. Working Paper #5, Peacekeeper EIS
URS-Berger, 2/84.

TRAVEL/TOURISM

The Economic Base Analysis estimates that travel/tourism represented 10.7 percent of total full-time equivalent employment and 27 percent of total retail sales within the County in 1983.

Travel/tourism in this analysis includes tourists, business travelers, including truckers, and "regional" households which are any households residing outside of Laramie County.

The analysis further estimates that tourists comprise over 50 percent of travel/tourism expenditures, business travelers comprise approximately 38 percent and regional trade area households comprise 11 percent.

SOURCES OF TRAVEL/TOURISM

<u>Source</u>	<u>Percent Contribution</u>
Regional Households	10.8%
Tourists	51.6%
Business Travelers/ Truckers	37.6%
TOTAL	100.0%

Source: Economic Base Analysis Working
Paper #8, Peacekeeper EIS,
URS-Berger, 5/84.

Estimates of actual expenditures by economic sector were derived from detailed surveys of a sampling of businesses in the community. From this survey work, estimates of travel/tourism expenditures were developed and are presented below.

1983 TRAVEL/TOURISM EXPENDITURES

	<u>Tourists/ Travelers</u>	<u>Regional Households</u>	<u>1983 Revenues</u>
Comparison Goods			
Apparel and Accessories	N/A	N/A	\$ 6,256,600
Auto Repair, Service	N/A	N/A	19,780,280
Recreation	N/A	N/A	1,893,940
General Merchandise	N/A	N/A	6,658,400
Miscellaneous Retail	N/A	N/A	6,945,400
Subtotal	<u>\$34,048,519</u>	<u>\$7,486,101</u>	<u>\$41,534,620</u>
Convenience Goods and Services			
Food	N/A	N/A	\$ 1,492,400
Eating and Drinking	N/A	N/A	17,382,480
Subtotal	<u>\$18,043,091</u>	<u>\$ 831,789</u>	<u>\$18,874,880</u>
Other			
Lodging	\$16,608,000	0	\$16,608,000
TOTAL	\$68,699,610	\$8,317,890	\$77,017,500
	89.2%	10.8%	100.0%

Source: Economic Base Analysis Working
Paper #8, Peacekeeper EIS,
URS-Berger, 5/84.

In this analysis we have applied the \$52.1 million in retail sales, generated by tourist and travelers and have excluded the expenditure estimate generated by regional households, since their expenditures were accounted for earlier in the analysis.

FE WARREN AIR FORCE BASE

Since off-base military personnel expenditures are lower than other resident households, we have accounted for them separately.

The U.S. Air Force developed a socioeconomic survey of Air Force employees in 1982 to estimate the economic impact of the base, its military and civilian employees on the local economy. According to this analysis, 75 percent of military employee expenditures occur off base, 52 percent of military employee expenditures occur within the local community.

A distribution of these expenditures by type of good and service is presented in the table that follows. These expenditures are for an estimated 3,490 military personnel residing in 2,326 households. Total 1983 expenditures in Laramie County are estimated at \$20,938,082; total retail expenditures are estimated at \$15,207,957.

1982 AND 1983 ESTIMATED EXPENDITURES OFF-BASE IN LOCAL COMMUNITY FE WARREN AFB MILITARY PERSONNEL

	<u>1982 Estimate</u>	<u>1983 Equivalent (x 1.038)</u>
Comparison Goods and Services (excluding vehicle purchase)	\$12,014,780	\$12,471,342
Convenience Goods and Services	2,636,431	2,736,615
Non-Retail	5,520,352	5,730,125
TOTAL	<u>\$20,171,563</u>	<u>\$20,938,082</u>

Source: Detailed table that follows

1982 ESTIMATED EXPENDITURES
OFF-BASE IN LARAMIE COUNTY
FE WARREN AFB MILITARY PERSONNEL

	<u>Proportion of Salary Spent Locally</u>	<u>Local Expenditures (1982)</u>
Comparison Goods and Services		
Apparel and Shoes	3.9%	\$ 1,632,076
Auto Parts, Service.	6.8%	2,846,466
Furniture	7.6%	3,180,456
Housing Upkeep	5.2%	2,179,680
Reading/Education	2.5%	1,046,203
Recreation	2.7%	1,129,899
Vehicle Purchase	5.5%	2,300,851
Subtotal		<u>\$14,315,631</u>
Convenience Goods and Services		
Food and Beverage	4.5%	\$ 1,883,165
Personal Care	1.4%	585,874
Drugs	0.4%	167,392
Subtotal		<u>\$ 2,636,431</u>
Non-Retail		
Shelter (rent, mortgage)	9.4%	\$ 3,930,144
Contributions	2.2%	920,638
Medical Care	1.6%	669,570
Subtotal		<u>\$ 5,520,352</u>
TOTAL	52.4%	\$22,472,414
Total Excluding Vehicle Purchase		\$20,171,563

Note: Allocation of Housing, Transportation and Medical Costs into categories was derived using Bureau of Labor Statistics, Consumer Expenditure Survey.

Source: Socioeconomic Survey of Air Force Employees,
W.D. Gunther, 1982.

BUSINESS PURCHASES OF RETAIL GOODS AND SERVICES

The URS-Berger Economic Base Analysis estimated the volume of goods and services purchased by local businesses within and outside of Laramie County. The method was based on a sample survey of businesses, within which questions were asked regarding purchase patterns, employment, business expectations, etc. Estimates of total purchases were derived from estimates of total revenue, costs of goods sold and total labor costs:

$$\text{Total Revenue} \times \text{Cost of Goods Sold Percentage} = \text{Costs of Goods Sold}$$

$$\text{Costs of Goods Sold} - \text{Total Labor Costs} = \text{Total Purchases}$$

$$\text{Total Purchases} \times \text{Laramie County Percentage} = \text{Laramie County Purchases}$$

The geographic distribution of business purchases on retail goods and services is summarized below. Note that 14 percent of total retail purchases by businesses occurred in Laramie County.

1983 BUSINESS PURCHASES OF RETAIL GOODS AND SERVICES

<u>Location</u>	<u>Retail Trade</u>	<u>Eating and Drinking</u>	<u>Total Retail</u>
Laramie County	\$ 23,000,000	\$2,800,000	\$ 25,800,000
Other Wyoming Counties	2,800,000	0	2,800,000
Colorado	25,300,000	8,400,000	33,700,000
Nebraska	7,500,000	12,000	7,512,000
Rest of U.S.	<u>116,800,000</u>	<u>600,000</u>	<u>117,400,000</u>
Total	\$175,400,000	\$11,812,000	\$187,212,000

Although these expenditures include vehicles, the analysis revealed that most vehicle purchases occur outside Laramie County.

OFFICE SUPPLY AND DEMAND

OVERVIEW

This chapter discusses current office supply and office demand in Cheyenne and forecasts for office space demand, both in Laramie County and in downtown Cheyenne.

Current occupied space is generally in balance with current demand, as measured by two different techniques. Forecast demand ranges between approximately 18,900 and 20,900 square feet, excluding the impact of the Peacekeeper Missile.

DOWNTOWN OFFICE SUPPLY

There are an estimated 1,984,629 square feet of office space in downtown Cheyenne, including 1,017,757 (51%) square feet of space in public buildings. [This estimate excludes buildings used primarily for warehouse, industrial, storage or retail uses.]

DOWNTOWN CHEYENNE OFFICE SPACE

<u>Type of Space</u>	<u>Square Feet</u>
Leased Office Space (Private)	702,567
Office Space (Public)	
Federal	214,000
State	687,844
Local	115,913
Vacant Space (Private)	129,305
Vacant Space (Utility)	<u>135,000</u>
TOTAL	1,984,629

Source: CFI Survey of Downtown Office Space (10/84)

Approximately 63 percent (432,368 sq.ft.) of the leased space is in one of 13 multi-tenant buildings of 12,000 to 76,000 square feet. The remaining 37 percent of space is in single-tenant buildings, smaller multi-tenant buildings, buildings housing a mix of retail, office and other uses, or retail "storefront" style locations.

MAJOR MULTI-TENANT OFFICE BUILDINGS
DOWNTOWN CHEYENNE

<u>Building</u>	<u>Total Square Footage</u>	<u>Total Occupied Square Footage</u>	<u>Total Vacant Square Footage</u>
American National	60,000	60,000	0
Capitol Hill	15,700	0	15,700
City Center	35,424	18,424	17,000
Bell Building	16,000	4,000	12,000
Boyd Building	21,780	20,580	1,200
Deming Building	11,880	8,880	3,000
Downtown West	42,573	28,398	14,175
Equality State Bank	34,858	34,858	0
Hynds Building	43,560	17,424	26,136
Majestic Building	21,780	N/A	N/A
Pioneer Building	25,813	6,700	19,113
Rocky Mountain Plaza	76,000	76,000	0
Teton National	<u>27,000</u>	<u>26,000</u>	<u>1,000</u>
Total	432,368	N/A	N/A
 Total Excluding Majestic Building	 410,588	 301,264	 109,324

The estimated composite vacancy rate for downtown Cheyenne privately owned office space is 27.3 percent (264,305 square feet) (10/84), as summarized below. Approximately 37 percent of the vacant space is due to the State's termination of leases; 51 percent is due to Mountain Bell's relocation from downtown and other changes. Note that the occupancy estimate excludes single-tenant government structures and Union Station and includes all private and utility-owned space.

The vacancy rate includes space currently leasable; it excludes any vacant space which is in storage, industrial or condemned structures.

Vacancy estimates are dominated by one of the Mountain Bell structures (2020 Capitol) which is 150,000 square feet and 90 percent vacant. Excluding this building lowers the vacancy rate to 15.8 percent.

PRIVATE SECTOR OFFICE SPACE:
TOTAL OCCUPANCY/TOTAL VACANCY

Total Occupied Space in Private Structures:*	702,567
Total Vacant Space (10/84) In Private Structures:**	264,305
Total Square Footage	966,872
Vacancy	27.3%

* Excludes government and Union Station
but includes utilities and all privately
held space.

** Excludes vacant space in storage,
industrial and condemned structures.

Approximately 54 percent of the total office space in downtown Cheyenne is in single-tenant buildings, most of which are owned by the federal, state or local government.

MAJOR SINGLE-TENANT OFFICE BUILDINGS
DOWNTOWN CHEYENNE

Federal Government	
U.S. Post Office	150,000
Federal Building	64,000
Total	<u>214,000</u>

State Government	
Capitol Building	89,089
Barrett Building	73,678
Emerson Building	92,300
Hathaway Building	135,000
Herschler Building	220,378
Supreme Court	58,529
Tax Assessor	18,870
Total	<u>687,844</u>

Local Government	
City Hall	52,713
Civic Center	50,000
County Building	13,200
Total	<u>115,913</u>

Private	
Mountain West Federal	11,968
1st Wyoming Bank	25,662
1st National Bank	12,600
Total	<u>50,230</u>

STATE GOVERNMENT OFFICE ACTIVITY

With the opening of the Herschler Building (220,378 square feet) earlier in 1984, the State began to terminate its leases in a number of private office buildings. During the next 12 months, the State intends to sever all private leases in Cheyenne, except one 2,904 square foot space.

Currently, the State occupies approximately 35,281 square feet of private office space in and adjacent to downtown Cheyenne, as listed below.

Earlier this year, the State moved from an estimated 97,853 square feet of space. By the end of 1985, the State expects to have moved from an additional 32,377 square feet of leased private space.

SPACE CURRENTLY LEASED BY STATE OF WYOMING IN DOWNTOWN CHEYENNE AREA

Randall Building 525 Randall Avenue	4,612*
Attorney General 500 Randall	3,270 st
Attorney General 1721 Carey	3,500
State Fire Marshall 506 West 17th	6,650
Health Department 700 West 21st	10,240*
Livestock Board 113 East 20th Street	2,545
Board of Nursing 2223 Warren	1,360
Public Defender 1712 Carey	2,904**
TOTAL.	<u>35,281</u>

* Outside of immediate downtown area

** State intends to extend this lease

Source: Wyoming Department of
Administration and Fiscal
Control

CURRENT OFFICE DEMAND

There are three approaches to measuring office demand:

Each approach can only be used as a rough approximation of demand, since there are many local and case-specific factors which also impact demand for office space in a particular location. These techniques are most useful in forecasting future demand, given a certain expectation in household or employment growth, rather than in calibrating current demand.

- . **Factor of Employment.** Nationally, it has been estimated that a relatively stable percentage of total employees in the various industrial sectors use office space. These calculations appear on the table that follows. Using an average of 150 to 200 square feet per employee and these national average factors, it is possible to forecast office demand as a factor of employment demand by sector.
- . **Factor of Households.** In large metropolitan areas, there is a relatively consistent square footage of office space in downtown areas and in outlying areas in proportion to the total households in the metropolitan area. Private office demand can be estimated as a function of household forecasts within the general trade area. We have applied this technique in our analysis.
- . **Factor of Retail Uses.** Another measure of office demand is derived by examining the relationship of office space to shopping space in local retail centers. Once a shopping center is established, a pattern of office space growth usually takes place on its periphery. The typical relationship of office space to shopping center retail space is approximately 25 to 30 percent. This particular technique is, however, inappropriate for downtown areas due to the higher proportionate relationship of office space to retail space.

Using either the employment factor or household factor technique, there is a current demand for public and private sector office space in Laramie County of between 2.2 and 3.0 million square feet. Unfortunately, an accurate estimate of current office supply in the County is not available.

A portion of this Laramie County office space demand can and should be located in the downtown area. Using the employment factor technique, a percentage proportion of each sector of office employment could reasonably be situated downtown. According to the assumptions outlined in the table that follows, approximately 823,230 square feet of private office space could currently be attracted to downtown Cheyenne using the employment factor technique; this is 17 percent (120,663 square feet) higher than current occupied private space. Approximately 618,010 square feet could be attracted to downtown Cheyenne using the household factor technique; this is 12 percent (84,557 sq.ft.) below current occupied private space.

PROPORTION OF CIVILIAN EMPLOYMENT USING OFFICE AND NON-OFFICE SPACE

<u>Sectors</u>	<u>Office Users</u>	<u>Non-Office Users</u>	<u>Total</u>
Agriculture, Forestry, Fisheries	8%	92%	100%
Mining	3%	77%	100%
Construction	17%	83%	100%
Retail Trade	22%	78%	100%
Wholesale Trade	33%	67%	100%
Manufacturing	30%	70%	100%
TCU	39%	61%	100%
Services	63%	37%	100%
FIRE	68%	32%	100%
Public Administration	70%	30%	100%

SOURCE: Derived from Wyoming 1980 Occupation of Employed Persons by Industry, Detailed Population Characteristics, U.S. Department of Commerce Bureau of the Census, 9/83.

CURRENT LARAMIE COUNTY CIVILIAN OFFICE DEMAND: EMPLOYMENT FACTOR TECHNIQUE

	<u>Number of Employees</u>	<u>Percent of Office Employees*</u>	<u>Office Employees**</u>	<u>Square Footage Requirements</u>
Agriculture	1,444	8%	116	23,200
Mining	381	23%	88	17,600
Construction	2,395	17%	407	81,400
Manufacturing	1,700	30%	510	102,000
TCU	4,217	39%	1,644	328,800
Wholesale Trade	1,345	33%	443	88,600
Retail Trade	7,389	22%	1,625	325,000
FIRE	2,191	68%	1,489	297,800
Services	6,859	63%	4,321	864,200
Government (Civilian)	8,245	70%	5,772	865,800
TOTAL	36,116		16,415	2,994,400

*Derived from Bureau of the Census Reports.

**200 square feet per employee for private sector; 150 square feet per employee for government.

CURRENT OFFICE SPACE DEMAND THAT COULD BE ATTRACTED
TO DOWNTOWN CHEYENNE:
EMPLOYMENT FACTOR TECHNIQUE

<u>Sector (% in downtown)</u>	<u>Square Feet</u>
Private	
Agriculture (25%)	5,800
Mining (50%)	8,800
Manufacturing (10%)	10,200
TCU (50%)	164,400
Retail (20%)	65,000
FIRE (75%)	223,350
Services (40%)	345,680
Total Private	<u>823,230</u>
Public	
Government (90%)	<u>779,220</u>
TOTAL	1,602,450

CURRENT LARAMIE COUNTY PRIVATE SECTOR OFFICE DEMAND:
HOUSEHOLD FACTOR TECHNIQUE

Trade Area Households:	26,870
Downtown Space:	618,010
23 square feet per household	
"Non-Downtown" Space:	618,010
23 square feet per household	
Total Private Sector Office Square Footage	<u>1,236,020</u>
Local, State, Federal Square Footage	1,017,757
TOTAL	<u>2,253,777</u>

FORECASTED OFFICE DEMAND

Both the employment factor and the household factor techniques have been applied to forecast baseline office demand for the years 1983 to 1992. The employment factor technique suggests an annual demand of office space of 31,347 square feet in Laramie County and 15,895 in downtown Cheyenne; the household factor technique suggests an annual demand in Laramie County of 37,766 and 18,883 in downtown Cheyenne (excluding state employees). These forecasts exclude an impact from the Peacekeeper Missile development; this project's impact is discussed in Chapter 12.

Employment Factor Technique

When deriving office space demand as a factor of employment growth in the Cheyenne area, it is estimated that downtown Cheyenne will require an average of 15,895 additional square feet each year between the years 1983 and 1992, including 7,318 square feet of public space and 8,577 square feet of private space.

The results of these forecasts are summarized in the table below and on the pages that follow. [A tabular presentation of office space requirements by sector appears at the end of this chapter.]

FORECAST OFFICE DEMAND IN LARAMIE COUNTY
(Employment Factor Technique)

Sector	-----1983-1992-----		-----Annual Average-----	
	Total Increment in Employment	Associated Office Space Requirements*	Increment in Employment	Associated Office Space Requirements
Agriculture	3	48	*	5
Mining	(59)	(2,714)	(6)	(301)
Construction	415	14,110	46	1,568
Manufacturing	67	4,020	7	467
TCU	500	39,000	55	4,333
Wholesale Trade	127	8,382	14	931
Retail Trade	738	32,472	82	3,608
FIRE	142	19,312	16	2,146
Services	747	94,122	83	10,458
Government	697	73,185	77	8,132
TOTAL	3,377	281,937	374	31,347

*Calculated by multiplying total increment in employment times that portion of employment requiring office space times an average office square footage per employee (200 sq.ft.).

FORECAST OFFICE SPACE THAT COULD BE ATTRACTED TO DOWNTOWN CHEYENNE
EMPLOYMENT FACTOR TECHNIQUE
(Public and Private Sector Space)

<u>Sector (% in downtown)</u>	<u>1983-1992</u>	<u>Annual Average</u>
Mining (50%)	(1,357)	(150)
Manufacturing (10%)	402	47
TCU (50%)	19,500	2,166
Retail (75%)	6,494	722
FIRE (75%)	14,484	1,609
Services, excluding medical (40%)	37,649	4,183
Government (90%)	65,866	7,318
TOTAL	143,038	15,895

Household Factor Technique

The household factor technique has been applied to projections of households within the primary and secondary trade area. These calculations, which appear below, forecast office demand in downtown Cheyenne to average 18,883 square feet per year, excluding public sector demand.

FORECAST OFFICE DEMAND: HOUSEHOLD FACTOR TECHNIQUE
(Private Sector Space Only)

	<u>1983-1992</u>	<u>Annual Average</u>
Increment in Households	7,390	84
Increment in Downtown Office Space Demand (Sq.Ft.)	169,970	18,883
Increment Outside of Downtown Office Space Demand (Sq.Ft.)	169,970	18,883

LEASE RATES AND VACANCIES

The table below summarizes lease rates and vacancies for a sampling of Cheyenne office buildings, as of October, 1984.

Note that it is the Class B buildings with lower rents (Bell, Hynds) that have more vacancies. The two largest multi-tenant buildings (American National Bank and Rocky Mountain Plaza) both lease space at \$10.00 per square foot (full service) and both are full.

SAMPLING OF OFFICE RENTS MULTI-TENANT BUILDINGS

<u>Buildings</u>	<u>Rent Per Sq.Ft. Per Year</u> <u>(Full Service)</u>
Bell Building	\$6.00
City Center	\$11.00
American National Bank	\$10.00
Downtown West	\$12.00-\$13.00
Hynds Building	\$6.50
The Mall	\$10.75
Pioneer Building	\$9.50-\$10.50
Rocky Mountain Plaza	\$10.00
Teton National	\$8.00-\$11.00
Boyd Building	\$10.50

Source: CFI Survey of leasing agents and building managers, 10/84.

1980 OCCUPATIONS BY SECTOR: WYOMING

Occupation	Agriculture	Mining	Construction	Manufacturing	T/C/U	Wholesale Trade	Retail Trade	FIRE	Services	Public Administration
Office Users										
Managerial and Professional	526	4,145	2,037	1,947	2,530	1,200	4,535	2,061	23,686	4,130
Technical	80	1,129	335	351	562	62	65	78	2,514	594
Clerical	310	2,125	1,427	1,225	4,673	1,046	3,059	3,850	9,220	3,923
Subtotal	916	7,399	3,799	3,523	7,765	2,308	7,659	5,989	35,420	8,647
Non-Office Users										
Sales	9		107	706	424	1,884	11,672	2,313	778	72
Service	264	841	165	301	522	116	8,455	299	13,642	2,477
Farming	10,034	8	19	157	30	8	45	65	225	220
Production	103	16,005	11,659	2,831	4,083	1,372	3,134	57	3,204	552
Operative Transport and Labor	207	7,723	6,533	4,303	7,122	1,370	3,844	71	3,136	434
Subtotal	10,617	24,925	18,483	8,298	12,181	4,750	27,150	2,805	20,985	3,755
Total Employment	11,533	32,324	22,282	11,821	19,946	7,058	34,809	8,794	56,405	12,402

NOTE: These statistics are used to forecast office demand using the employment factor technique.

SPECIAL DEVELOPMENT OPPORTUNITIES

OVERVIEW

This chapter discusses the general market viability of special development opportunities such as redevelopment of the Old Town/Union Station area, lodging, recreation and education facilities.

OLD TOWN/UNION STATION AREA

Union Station, built in 1886-87, is the most elaborate train depot between Omaha and San Francisco. Other Old Town structures, depicted on map and companion list, were built between 1870 and 1900 for hotel, retail, office and restaurant uses to support railroad activity. The location, parking access, scale, ambiance, architectural detail of Old Town/Union Station makes the area physically ideal for redevelopment into a combination of:

- .festival and specialty retail
- .second story office and possibly residential
- .hotel
- .restaurant
- .entertainment

There are approximately 26 structures in this area. Excluding Union Station, these one and two story structures collectively total approximately 182,373 square feet.

Redevelopment would complement the existing theatre, retail and restaurants already in Old Town and provide valuable additional and complementary development activity. Approximately one-half of the buildings currently have uses engaged in supporting retail activity. The others are either warehouses, rented to business and service enterprises or are institutional.

All buildings in this area are designated as "contributing structures" within the Downtown Cheyenne Historic District, which is listed in the National Register of Historic Places.

Favorable tax treatment (depreciation period, investment tax credits) are available for "certified rehabilitation" of these structures.

Coordinated redevelopment and rehabilitation of the Old Town/Union Station area is not accomplished easily. Multiple ownership patterns, real estate prices too high to prompt redevelopment, and lack of coordinated commitment are just a few major reasons why the area has not redeveloped spontaneously.

However, the benefits of substantial redevelopment can be significant to downtown Cheyenne.

1. Redevelopment would place a group of partially underutilized parcels back into productive use that would enhance the ambience of downtown Cheyenne.
2. Parking and pedestrian access is relatively easily provided.
3. The businesses along Lincolnway would be bolstered by redevelopment of Old Town.
4. This area is uniquely important to Cheyenne's heritage; encouraging redevelopment would insure that this portion of history is not lost due to neglect.
5. Visitor traffic to Old Town would filter into other portions of downtown Cheyenne, if signage and physical improvements encourage pedestrian movement. Old Town can bolster retail sales activity for retail establishments south of West Lincolnway.

If Cheyenne concludes that redeveloping Old Town is a priority objective, then a number of important actions are necessary. Completing the redevelopment effort would probably take several years of continued effort. Although we cannot know the precise path that redevelopment may take, the following steps or actions may need to occur:

- Plan. A conceptual redevelopment plan, which addresses the City's desired scope and scale of uses, location of major public improvements, such as parking lots or structures, pedestrian ways, etc., would need to be prepared.

This plan needs to be specific enough to provide redevelopers with an idea of the City's desired intent, and general enough to allow candidate redevelopers to tailor a plan to suit their interests or ideas.

- Package. A "package" describing the land area, buildings, conceptual plan, market feasibility, public partnership tools and incentives would need to be prepared for distribution.

- Developer Selection. An active campaign to attract redevelopers of sufficient stature to complete the project would be waged by staff with sufficient time to manage the assignment. A fair and open selection process would be required. Current property owners, including Burlington Northern, could be encouraged to assemble joint ventures.

- Public Support. It would probably be necessary to lend "last resort" assistance to a redeveloper in property acquisition. Even if powers of condemnation are not exercised, redevelopers will need to know that such support is available if needed.

In addition, it would probably be necessary for the City/Development Authority, or other public entity to provide:

- parking lot improvements;
- dedication of public rights-of-way for pedestrian improvements;
- for the creation of improvement districts.

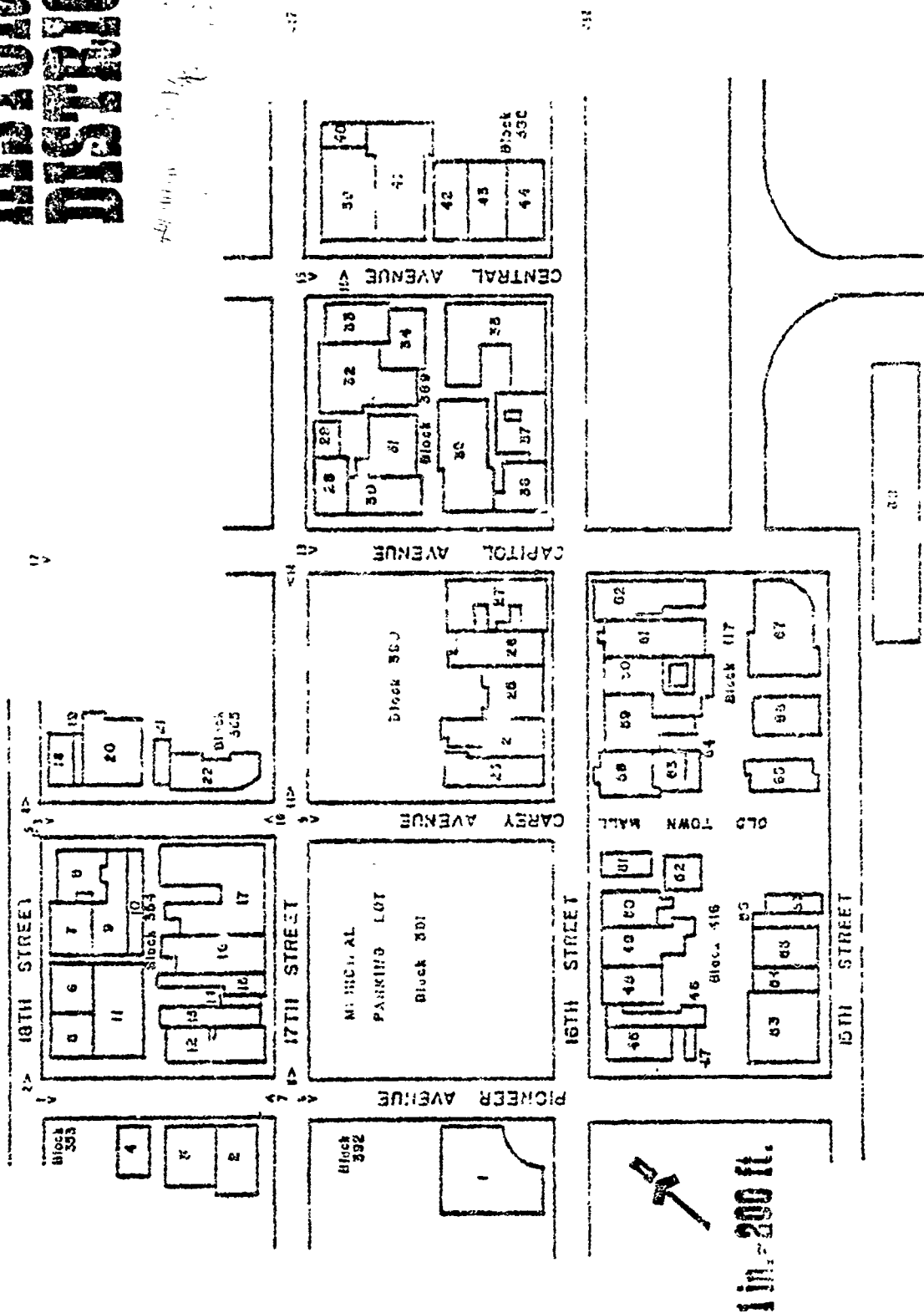
If retail redevelopment is substantial, then tax increment financing might be used for land acquisition and supporting public improvements.

OLD TOWN: BLOCKS 416 AND 417
BUILDINGS, USES, SQUARE FOOTAGE

<u>Building Number</u>	<u>Block and Lot/ Address</u>	<u>Business</u>	<u>Current Use</u>	<u>Square Footage of Building</u>
45	416: 10, 11 319-321 Lincolnway	Frontier Printing	Retail and Publishing	7,762
46	416: 9 317 Lincolnway	Sorenson Hardware	Retail	6,216
47	416: 10(P) 319-321 Lincolnway (rear)	Frontier Printing	Retail and Publishing	8,082
	416: 7, 8 315 W 16th	Royal Hotel	Closed, 2nd Floor	10,796
	313 W 16th	Frontier Printing	Printing	15,840
	416: 6, 7 311 Lincolnway	Frontier Printing	Typesetting Room	In above
	309 Lincolnway	Lighting Gallery	Retail	2,677
	307.5 Lincolnway	D & H Electronics	Retail, Service	3,168
	307 Lincolnway	Bertinas Fabrics	Retail	3,168
50	416: 3, 4 305 Lincolnway	Sues Gifts	Retail	6,336
51	416: 1 301 Lincolnway	Tivoli Building	Office of Chamber	2,421
52	416: 1(P) 1514 Carey	Sues Gifts	Retail	2,036
53	416: 15th & Pioneer	Asher-Wyoming Company	Warehouse	8,008
54	416: 15, 16 316 W 15th	Golden Key Antique Co.	Warehouse	4,264
55	416: 17, 18 308-310 W 15th	Frontier Upholstry	Service Commercial	3,744
56 & 57	416: 304-306 W 15th	Kreuzer Sheet Metal		2,856
Total				<u>87,374</u>

<u>Building Number</u>	<u>Block and Lot/ Address</u>	<u>Business</u>	<u>Current Use</u>	<u>Square Footage of Building</u>
58	417: 223 Lincolnway	Marv's Place	Retail	2,490
59	417: 7, 8 215-217 Lincolnway	Peoples Sporting Goods, Ski Chalet	Retail	5,400
59	417: 9, 10 219 Lincolnway	Windemere Gallery Vacant	Retail	4,438 6,336
60	417: 5, 6 213 Lincolnway	Atlas Theatre	Non-Profit Performing Arts	12,476
61	417: 3, 4 205 Lincolnway	Stevens Hotel	Lodging, Vacant	12,476
62	417: 1, 2 201 Lincolnway	Wrangler Western Wear	Retail	25,344
63	417: 9, 10, 11 1517 Carey	Old Town Inn	Restaurant	5,784
64	417:9(P),10(P),11(P) 1515 Carey	Old Town Office	Office/Vacant	2,288
65 & 66		Part of Sues Gifts	Retail	listed above
67	417: 1502-06 Capitol	Albany Bar and Hotel	Retail and Lodging	17,967
68	417: Unsubdivided 121 W 15th	Union Station		
			Total	<u>94,999</u>
			Grand Total	182,373

DOWNMAN CAREYVILLE DISTRICT



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LODGING POTENTIAL

Supply of Lodging

There are presently approximately 1,700 rooms available in 24 of the larger motel/hotel facilities in the Cheyenne area. As described in the table below, approximately 53 percent of the rooms and 63 percent of the establishments were built prior to 1960. In the last 3 years, 3 major hotel or motel additions were constructed which collectively represent 309 units.

Lodging in the Cheyenne area is dominated by 3 major facilities (The Hitching Post, Holiday Inn, Little America). Collectively, these facilities represent 40 percent of the total rooms in the market area.

CHRONOLOGY OF HOTEL/MOTEL DEVELOPMENT

<u>Pre-1960</u>	<u>Units</u>	<u>1970-1980</u>	<u>Units</u>
Albany	15	Firebird Motel	50
Big Horn Motel	12	Quality Inn	105
Budget Host	37	Super 8	61
Cheyenne Motel	30		
Hitching Post	250	Total	216
Holiday Inn:Phase I	150		
Lariat Motel	16		
Plains Hotel	90		
Pioneer Hotel	78		
Ranger Motel	22		
Round-Up Motel	36		
The Sands	53		
Stage Coach Motel	23		
Twin Chimney	21		
Wyoming Motel	65		
Total	898		
<u>1960-1970</u>	<u>Units</u>	<u>1980+</u>	<u>Units</u>
Downtowner	88	Holiday Inn:Phase II	96
Little America	188	LaQuinta	105
Ramada Inn	68	Motel 6	108
Total	344	Total	309

There are six operating hotels in downtown Cheyenne which collectively contain 498 rooms. Two of the facilities (Shenanigans, Wyoming Hotel) provide rooms on a weekly or monthly basis. One motel (Downtown Motor Inn) obligates most of its rooms to Union Pacific employees on a contractual basis.

The remaining three establishments which accommodate daily guests (Albany Hotel, Pioneer Hotel, Plains Hotel) average 40 to 50 percent occupancy.

None of the downtown facilities are currently Class A establishments although the Plains Hotel is currently undergoing an extensive renovation.

DOWNTOWN CHEYENNE HOTELS IN CURRENT OPERATION

<u>Establishments and Rooms</u>	<u>Characteristics</u>
Albany Hotel 15 rooms	Average occupancy, 50%
Downtown Motor Inn 85 rooms	Obligated to Union Pacific employees; typically full
Pioneer Hotel 78 rooms	Mostly walk-in traffic; average occupancy, 50%
Plains Hotel 90 rooms now 120 room capacity	Renovations nearly complete; 40% average occupancy now (pre-renovations)
Shenanigans 29 rooms + 6 apartments	Available on weekly or monthly basis; primarily rented by permanent residents
Wyoming Hotel 65 rooms now 125 room capacity	Regular monthly residents; one-floor is temporarily closed due to fire hazzard

Occupancy Characteristics

Coley/Forrest conducted a telephone survey of lodging establishments in the Cheyenne area to understand guest characteristics and occupancy trends.

Among the six larger establishments, occupancy in the summer generally ranged between 80 and near 100 percent. During the "off season" which generally ranges from October to May, occupancy averaged between 50 and 70 percent.

The busiest season for each lodging establishment surveyed is the summer season (June - September). All establishments reported effectively 100 percent occupancy during Frontier Days.

Demand Estimates

The lodging industry in the Cheyenne area is dependent upon four sources of patrons:

- .business and government related travelers
- .convention attendees
- .commercial highway travel
- .tourism

Cheyenne's position as the State Capitol is responsible for a steady stream of government travel as well as related private business interests who have dealings with State officials. Business and government trips to the Cheyenne area is forecasted by URS-Burger in the Economic Base Analysis as remaining relatively stable.

The presence of the State Capitol also attracts a substantial volume of conventions, especially among associations and groups with lobbying or other interests tied to the State. The Greater Cheyenne Chamber of Commerce estimates that attendants at conventions has averaged about 10,000 persons per year over the last 7 to 8 years. General economic downturns have not influenced the number of conventions as much as the money expended at them.

Cheyenne's geographic location to both I-80 and I-25 provides a steady stream of in-transit, highway oriented commercial travel.

Tourists appear to account for major fluctuations in annual travel demand. Tourist related lodging is derived from Cheyenne's position both as a intransit point of convenience as well as a point of destination. Cheyenne provides tourists traveling from the east to the west and from south to the north with the largest concentration of lodging facilities for hundreds of miles.

The URS-Burger Economic Base Analysis projects a one percent annual increase in lodging employment between 1984 and 1992, consistent with local increases in population.

The major influence on lodging activity is expected to relate not to an increase in demand, but to a change in the composition of lodging establishments in the Cheyenne area. Over the next few years, there is an expected decline in occupancy among the smaller and older hotel and motel establishments as new major chains such as the Super 8 and Motel 6 enter the market area.

The Wyoming Resources Research Institute has forecasted lodging demand in room nights. These forecasts, presented in the table below, show an estimated 3.7 percent per year increase in the volume of room nights between 1980 and 1985 and 3.0 percent annual increase between 1985 and 1990. Assuming an average 70 percent capacity, these projections suggest additional demand for one approximately 100 room facility every five years in the Cheyenne area.

PROJECTED ROOM NIGHTS IN THE CHEYENNE AREA

<u>Year</u>	<u>Room Nights</u>
1980	158,000
1985	189,000
1990	219,000

Source: Wyoming Resources Research
Institute.

Based on a survey of Cheyenne area lodging establishments, approximately 55 percent of lodging patrons are business related, 36 percent are tourist related and 9 percent are convention traffic.

SOURCES OF PATRONAGE

Tourist	36%
Business	55%
Convention	<u>9%</u>
Total	100%

Source: Survey of Cheyenne area lodging
establishments, Williams-Kuebelbeck

If we assume that a downtown hotel can successfully compete for convention trade and State oriented business travel, then the downtown area might potentially capture 25 to 40 percent of total demand. Since downtown is at a competitive disadvantage with respect to proximity to the Interstate system, its appeal will be limited to highway oriented and some tourist travelers. Assuming this capture rate, we might expect additional lodging demand of between 60 and 100 units between 1980 and 1990.

OTHER SPECIAL OPPORTUNITIES

There are other redevelopment opportunities that may be viable near the downtown area core. Each of these ideas, listed below, require some special analysis, beyond the scope of this general market analysis.

Full Service (Private) Athletic Club

This facility might include racketball/squash, handball, basketball, aerobics, indoor track, weight facilities and sauna. Government and institutional and other downtown office and retail workers would be the primary market. If weekly or monthly memberships were available, legislators, lobbyists and other State Capitol business people might use the facility.

Arts School or Studio

A facility which offers classes in performing or visual arts might be established in proximity to and complementary of the Civic Center.

Business (Trade) School

A school offering secretarial, word processing, court reporting and other office trade skills might be encouraged to establish downtown. If parking concerns can be solved, this may be an effective use of some of the older vacant office buildings.

Conference/Education Center

A facility suited to provide professional training or recertification for real estate, legal, medical, accounting and other professions might be considered.

RESIDENTIAL SUPPLY AND DEMAND

OVERVIEW

This chapter focuses on residential development opportunities for market rate housing within and immediately surrounding downtown Cheyenne. Due to probable land costs, and the scale of other downtown area uses, the focus of this analysis is narrowed to multi-family housing, including townhouse and stacked-unit style products both for rent and for sale.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Demand for housing near downtown Cheyenne is derived from three interrelated sources:

- Immigrating households, approximately 522 per year in Cheyenne;
- ."empty-nester" and active retired households, approximately 41 new households per year in Cheyenne;
- ."single/widowed/divorced households, primarily aged between 20 and 34, approximately 414 households per year in Cheyenne.

We conservatively estimate that new demand for housing in Cheyenne will average 522 units annually. A significant proportion of this new demand will be by young persons, 20 to 34. Empty-nester, active retired and single/separated/widowed/divorced households represent demand for different housing but not a net increase in housing stock.

Assuming the composition of housing stock will change slightly to favor more townhouse, condominiums and duplex units and less mobile homes, then the annual average increase in housing stock by type can be estimated. These average annual estimates are summarized below.

AVERAGE ANNUAL INCREASES IN CHEYENNE HOUSING STOCK

<u>Product Type</u>	<u>Units</u>
Single-Family Detached	296
Multi-Family, for-sale	95
Multi-Family, for-rent	109
Mobile Home	<u>22</u>
Total	522

Due to the relatively high land prices and the scale of other uses in the downtown area, we anticipate that any new construction near the downtown would be primarily a multi-family product design (townhouse or stacked flats) for-sale or for-rent.

The only multi-family housing near downtown are rent-assisted mid-rise and high-rise elderly projects and a few small infill townhouse developments priced over \$100,000 per unit.

We would anticipate that the following product types would be market viable:

- . townhouse-style units (1,000 to 1,200 sq.ft.), 15 units per acre, priced at \$75,000-82,000, and targeted for single, co-buyer, and professional couples working at the State or local government or downtown;
- . stacked condominium units (800 to 1,100 sq.ft.), 20-22 units per acre, priced at \$65,000-75,000 per unit, targeted for single downtown area employees and possibly businesses with continuing State-related business;
- . stacked flat rental units, with the same density and unit configuration as referenced above, and targeted for the same markets;
- . zero-lot line/patio home, or ranch style townhouse units (1,500 to 2,000 sq.ft.) with ample storage, two-car garage, security, 7-10 units per acre, \$120,000-140,000, targeted for the empty-nester, active retired and affluent professional, single or childless couple households.

It is unlikely that housing will be viable within the downtown core until a more diverse set of goods and entertainment are provided and the downtown area is more physically attractive. The housing recommendations referenced above would more logically be suited for locations to the north, east and northwest of the downtown core, buffering between office and retail uses and established, older single-family housing.

There is a current, and perhaps temporary glut in the number of houses on the resale market. This situation hampers individuals desiring to sell one home and move into another. Until this unusually high inventory of resale homes decreases, it may be difficult to introduce housing for the "move-up" or "move-down" markets, since each of these typically sell one home to purchase another more suitable home.

SOURCES OF HOUSING DEMAND

There are several somewhat interrelated sources of demand for housing, in and around downtown Cheyenne. These include:

- .immigrating households
- ."move-down" households ("empty-nester" and active retired households who desire a smaller and/or more maintenance free living unit
- .singles, divorced, separated, and widowed households
- .households desiring to locate or relocate their residence close to their job

Immigrating Households

According to estimates presented in Chapter 10, total population in Laramie County is expected to increase by 15,590 people between 1980 and 1992, or at an average annual rate of 1.7 percent per year. Households are expected to increase by 8,970 or 2.5 percent per year. If we assume that Cheyenne will capture 70 percent of this household demand, then households in Cheyenne should increase by 6,276 or 522 per year.

The 1980 housing stock in the City of Cheyenne included approximately 69 percent single-family detached housing, 22 percent multi-family, and 9 percent mobile homes. If we assume that the composition of housing stock in 1992 will change slightly in favor of more duplex, townhome and condominiums and slightly fewer mobile homes, then we can estimate average annual increases in housing stock by housing type.

For purposes of this analysis, we estimate that the 1992 housing stock will include approximately 66 percent single-family detached, 25.5 percent multi-family, and 8.5 mobile home. This translates into the following average annual demand.

AVERAGE ANNUAL INCREASES IN
CHEYENNE HOUSING STOCK
[To Accommodate Immigrating Households]

<u>Product Type</u>	<u>Units</u>
Single-Family Detached	296
Multi-Family For-Sale [duplex, townhouse, stacked condominiums]	95
Multi-Family For-Rent [apartments, condo- miniums for rent]	109
Mobile Home	22
Total	<u>522</u>

Source: Subsequent Table

Note that these are average annual estimates. Actual increases in housing stock for any individual year will be significantly influenced by construction and permanent mortgage interest rates, current overhang of housing stock, and individual developer perspectives on the Cheyenne housing market.

1980 AND 1992 HOUSING STOCK
CITY OF CHEYENNE

<u>Unit Type</u>	<u>1980 Stock</u>		<u>1992 Stock</u>		<u>12 Year Increase</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>Total</u>	<u>Avg Annual</u>
Single-Family Detached						
Owner-Occupied	11,798	54.0%	18,574	66.0%	3,559	296
Renter-Occupied	3,217	14.7%				
Multi-Family						
Owner-Occupied	685	3.1%	1,829	6.5%	1,144	95
Renter-Occupied	4,043	18.5%	5,347	19.0%	1,304	109
Mobile Home						
Owner-Occupied	1,652	7.6%	2,392	8.5%	269	22
Renter-Occupied	471	2.2%				
Total	<u>21,666</u>	<u>100.0%</u>	<u>28,142</u>	<u>100.0%</u>	<u>6,276</u>	<u>522</u>

Sources: 1980 data: 1980 Census of Population and Housing: Colorado.
1992 data: Based on population projections developed by
URS-Berger and changing housing stock patterns,
estimated by CFI.

"Move-down" Households ("Empty-Nesters" and Active Retired)

The empty-nester market includes individuals generally aged between 50 and 65 years old who may have children entering college or leaving the "nest" to establish independent households. As households become empty-nesters, they often desire to move into smaller and more maintenance free living situations suitable to their changing household.

Suitable housing products for empty-nesters include zero lot line or patio homes, townhomes, particularly with main living on a single level, and stacked condominium units if the interior unit layout is large enough to suit their furnishings and possessions and features and amenities suit their lifestyle.

Housing demand for this particular market segment is not created so much by immigrating households as it is by households maturing into this age category and lifestyle.

Between 1970 and 1980, the proportion of persons between the ages of 50 and 65 increased slightly from 27 to 29 percent. Over this 10 year period there was a net addition, 611 people. Assuming an average household size of 1.5, this equates to 407 new households or 41 new households on an annual basis. Not all households in this age category seek to move from their home. However, if suitable housing in a convenient location and at an attractive price were provided, then this market segment does represent some market demand that might be attracted to the downtown area.

We have not focused on the population of people age 70 and over since a significant portion of this population may require some institutional care if they do elect to move from their current residence.

There are five rent-assisted elderly housing projects within Cheyenne, including two projects, Birk Center and the Frontier Motel, within the downtown area.

RENT ASSISTED ELDERLY HOUSING

	<u>Units</u>
Birk Center*	75
Frontier Motel*	72
Indian Hills	50
Stanfield House	54
Storey Boulevard	38
total	<u>289</u>

*Downtown Cheyenne locations

The Cheyenne Housing Authority reports that its elderly housing projects have short waiting lists and they anticipate no near future demand for additional elderly housing. Should there be additional demand for elderly housing, a location close to downtown Cheyenne might be ideal, given the convenience to grocery and convenience goods, shopping, and Memorial Hospital.

Single, Divorced, Separated, and Widowed Households

Single, widowed, separated and divorced individuals in Cheyenne represent a target market for multi-unit housing in the downtown area. In 1970, single/divorced/widowed people represented 23 percent of the total population between the ages of 20 and 69 or 5,167. In 1980, this market segment represented 25 percent of the total population or 7,277. Over the 10 year period, this represented an increase of 2,110.

While total population increased 29 percent between 1970 and 1980 the single/divorced/widowed population increased 41 percent, due primarily to the influx of young people between the ages of 20 and 34. In fact, 91 percent of this increase occurred between those aged 20 and 34 as outlined in the tables below.

1980 MARITAL STATUS BY AGE: WYOMING

<u>Age</u>	<u>Single</u>	<u>Married</u>	<u>Widowed/Divorced</u>	<u>Total</u>
20 - 24	56.4%	39.5%	4.1%	100.0%
25 - 29	24.6%	67.9%	7.5%	100.0%
30 - 34	9.7%	79.1%	11.2%	100.0%
35 - 39	5.4%	84.8%	9.8%	100.0%
40 - 44	3.6%	87.3%	9.1%	100.0%
45 - 49	2.9%	86.4%	10.7%	100.0%
50 - 54	4.1%	87.6%	8.3%	100.0%
55 - 59	4.0%	86.8%	9.2%	100.0%
60 - 64	4.5%	85.0%	10.5%	100.0%
65 - 69	4.1%	84.5%	11.4%	100.0%

Source: 1980 Detailed Population Characteristics:
Wyoming, U.S. Department of Commerce, Bureau
of the Census.

CHEYENNE POPULATION 20-69
1970 AND 1980

<u>Age Category</u>	<u>1970</u>	<u>1980</u>	<u>Difference</u>
20 - 24	2,994	4,620	1,626
25 - 29	2,609	4,606	1,997
30 - 34	2,324	3,826	1,502
35 - 39	2,440	2,928	488
40 - 44	2,341	2,477	136
45 - 49	2,420	2,297	(123)
50 - 54	2,264	2,456	192
55 - 59	2,014	2,241	227
60 - 64	1,726	1,918	192
65 - 69	<u>1,355</u>	<u>1,572</u>	<u>217</u>
Total	22,487	28,941	6,454

Source: 1980 Detailed Population Characteristics:
Wyoming, U.S. Department of Commerce, Bureau
of the Census.

CHEYENNE SINGLE, WIDOWED, DIVORCED POPULATION
1970 AND 1980

<u>Age Category</u>	<u>--1970-- Single/ Widowed/ Divorced</u>	<u>--1980-- Single/ Widowed/ Divorced</u>	<u>Difference</u>
20 - 24	1,811	2,795	984
25 - 29	857	1,478	621
30 - 34	486	800	314
35 - 39	371	445	74
40 - 44	297	315	18
45 - 49	329	312	(17)
50 - 54	281	304	23
55 - 59	266	296	30
60 - 64	259	288	29
65 - 69	<u>210</u>	<u>244</u>	<u>34</u>
Total	5,167	7,277	2,110

Source: 1980 Detailed Population Characteristics:
Wyoming, U.S. Department of Commerce, Bureau
of the Census.

If the 1980 proportions of single/divorced/widowed people hold constant through 1992, this will represent a net increase of 7,456 people. Assuming an average household size of 1.5 in this market segment, this represents a net increase of 4,971 households over the 12 year period or 414 households per year.

SINGLE/WIDOWED/DIVORCED POPULATION
1980 AND 1992: CHEYENNE

	<u>1980</u>	<u>1992</u>	<u>Difference</u>
Population: 20-69	28,941	36,067	7,126
Population: S/W/D	25%	25%	
S/W/D Population	7,277	9,016	1,739
S/W/D Households*	5,822	7,213	1,291
Avg. Annual Change	N/A	N/A	116

* 1.25 adults [20-69] per household

Housing with Employment Convenience

There are households who work downtown and desire suitable residence near their job. Locating within walking distance of one's job not only saves time and adds convenience, but can substantially reduce living costs if it enables the residence to eliminate one car from their household.

There are approximately 9,515 employees working in the downtown area as summarized in the table below.

ESTIMATED DOWNTOWN CHEYENNE EMPLOYEES: 1984

	<u>#</u>
State Government	2,200
Memorial Hospital	400
City of Cheyenne	365
Laramie County	170
Retail Employees	2,880
Office Employees	<u>3,500</u>
Total	9,515

Unlikely Target Markets

There are some target markets in the Cheyenne area which are unlikely to desire housing close to downtown Cheyenne. These include growing families who likely seek housing at a lower density than would be provided in the downtown area, and military housing for Warren AFB personnel who are housed off base.

HOUSING SUPPLY

The 1980 housing stock by type and tenure is presented in the table that follows. As is common in most communities, single-family detached owner occupied housing represents over 50 percent of the total housing stock. The significant volume of multi-family renter-occupied housing (35 percent) is available in part due to demand created by the 4,370 Warren AFB personnel housed off base.

CHEYENNE 1980 HOUSING STOCK
TYPE AND TENURE

Type	Owner-Occupied		Renter Occupied		Total Occupied Units	
	#	%	#	%	#	%
Single-Family	11,798	54.0%	3,217	14.7%	15,015	68.7%
2-9 Units	662	3.0%	2,994	14.0%	3,656	16.7%
10+	23	0.1%	1,049	4.8%	1,072	4.9%
Mobile Home	1,652	7.6%	471	2.2%	2,123	9.7%
Total	14,135	64.6%	7,731	35.4%	21,866	100.0%

Source: 1980 Housing Characteristics: Wyoming,
U.S. Department of Commerce, Bureau of the
Census.

As presented below, 89 percent of the renter-occupied housing stock has been built in the last 9 years.

HOUSING STOCK BY AGE AND TENURE

	Owner-Occupied	Renter-Occupied
1979-3/80	19.3%	60.8%
1975-1978	30.1%	28.2%
1970-1974	15.8%	5.6%
1960-1969	16.9%	3.2%
1950-1959	10.6%	}
1949-earlier	7.3%	
Total	100.0%	100.0%

Source: 1980 Detailed Housing Characteristics: Wyoming,
U.S. Department of Commerce, Bureau of the
Census.

Multi-Family For Sale Developments

In 1980, multi-family for-sale (or owner occupied) units represented only 3.1 percent (685 units) of the Cheyenne market.

In this market analysis we have examined 11 multi-family products which collectively represent 223 units. For-sale prices within the sample range between \$42,000 and \$200,000 or between \$42 and \$80 per square foot.

The new construction multi-family for sale products are all in townhouse style configurations. The only stacked unit multi-family for-sale products which we have identified have been conversions from apartments to condominiums.

Most of the multi-family developments have been in increments of 25 or fewer units. Although these relatively small scale developments have generally fit compatibly within their neighborhoods, small scale developments do not have extensive advertising and promotion budgets and the rate of absorption [rate of sales] at each development is low in part due to lack of effective marketing.

As presented on the following map, the sample of multi-family products are loosely clustered in several neighborhoods. Some products such as Capitol Manor and Frontier Park are situated in infill locations in relatively close proximity to the downtown area. Other products, such as Deer Valley and Tumbleweed, are situated within higher priced single-family neighborhoods. A third set of products, such as the Gables and Imperial Heritage, are situated on the eastern fringe of the downtown area.

Units that have been developed on infill sites within walking distance to downtown, have been developed in small increments typically 4 to 6 units, priced over \$100,000 and targeted towards the more affluent single person, childless couple, and empty-nester households. No new multi-family for-sale units close to downtown have been developed at prices below \$100,000.

We have traced the absorption history for 5 of the multi-family products surveyed. Among these products, the Gables has absorbed most successfully at 2.6 units per month. More typical absorptions have ranged between 1.0 and 1.75 units per month.

We have identified only 4 new multi-family products planned within the City of Cheyenne. These products are also presented on the following map. The tables that follow present a summary discussion of each multi-family product surveyed, sales history, a sampling of sales and resale prices, and a listing of the planned multi-family products.

SELECTED MULTI-FAMILY DEVELOPMENTS

<u>Development</u>	<u>Marketing Remarks</u>
Capitol Manor	Under construction; one of several infill projects by this builder
Country Club	Sold well; resales only; cluster of friends bought initial units
Deer Avenue	Builder sold initial inventory to friends; Originally priced between \$140,000 and \$160,000; resales now at \$200,000
Frontier Park	Small infill project; 2 sold units were purchased by affluent empty nester retired couples
The Gables	This is the most rapid selling product on the market; sales (2.6 per month) have been to singles (50%) and childless couples (50%); 99% of purchasers are "young"
Imperial Heritage	Among best selling units on market; sales to singles and childless couples; below market financing
Parklane Condominiums	This development was a high-end rental project that was converted to condominiums. All 16 units sold initially at \$120,000-125,000; now there are 4 resales at \$117,000
The Patio	Relatively rapid sales have been to retired couples (cash buyers); a few sales to childless couples
Tumbleweed	Built in 1979; proximity to I-25 deterred sales; absorption over 5 years
Vye Townhouses	Sold primarily to empty-nesters
Yellowstone	Units reduced significantly in price

SELECTED MULTI-FAMILY PRODUCTS SALES HISTORY

<u>Development</u>	<u>Planned Unbuilt</u>	<u>Built</u>	<u>Sold</u>	<u>Built & Unsold</u>	<u>Average Sales Per Month</u>
Capitol Manor	0	6	1	5	
Country Club	0	25	25	0	Resales
Deer Avenue	0	10	10	0	Resales
Frontier Park	0	4	2	2	0.3
The Gables	0	82	78	4	2.6
Imperial Heritage	12	10	7	3	1.75
Parklane	0	16	16	0	
The Patio	24	14	9	5	1.5
Tumbleweed	0	14	14	0	N/A
Vye Townhouses	12	12	10	2	N/A
Yellowstone	190	30	11	19	1.0

Source: Individual builders, developers, real estate agents.

SAMPLING OF SALES AND RESALE PRICES

<u>Development</u>	<u>Sales Price</u>	<u>Finished Square Footages</u>	<u>Sales Per Finished Square Foot</u>
Capitol Manor	\$119,500	1760	\$68
Country Club	\$90,000	1800+	\$50
Deer Avenue	\$200,000	3000	\$67
Frontier Park	\$129,500	1722	\$75
The Gables	\$44,500,59,000	1200,1280	\$37,\$46
Imperial Heritage	\$47,850,58,650	1150,1383	\$42
Parklane	\$117,000	1500	\$78
The Patio	\$74,900-94-500	1110,1922	\$49-67
Tumbleweed	\$93,500-96,500		
Vye Townhouses	\$85,000-86,000	1130	\$75-76
Yellowstone	\$42,000-65,000	800	\$53-81

PLANNED MULTI-FAMILY PRODUCTS
(Excludes additional filings of developments in progress)

<u>Development</u>	<u># Units</u>	<u>Location</u>
Coulter	8 units, 2,4-plexes	
Fairway Addition	24 units, 6,4-plexes	N. Hacker Court and W. Education Drive
Hoy Holding	15 units	904-922 Prairie Avenue
Spruce Creek I	5 units	15th Street &
Spruce Creek II	5 units	Cook Avenue

Source: City/County Planning Department

Apartments

In 1980, there were approximately 4,043 multi-family renter occupied units in the City of Cheyenne; these represented 18.5 percent of the total housing stock. The relatively large volume of multi-family renter occupied units, or apartment units, have been developed in part to accommodate the approximately 4,300 Warren Air Force Base military personnel that are housed off base.

We have surveyed a sampling of 11 of the larger apartment complexes within Cheyenne; these 11 developments collectively represent 743 units.

Apartment developments which allow a "military clause", which means tenants may move if they receive an opportunity to move on base, tend to contain more than 50 percent military households. (Creekside and Sandalwood are typical examples.)

Apartment developments with the highest rental rates are also those with the lowest vacancy rates.

Typical rental rates for one bedroom unfurnished units generally ranged between \$280 and \$310; typical rental rates for two bedroom unfurnished units ranged between \$310 and \$350.

TENANT CHARACTERISTICS
SAMPLING OF CHEYENNE APARTMENTS

<u>Development</u>	<u>Renter Characteristics</u>
Casa Grande	Superior location keeps units full; wide tenant mix with substantial portion of military
Creekside	90% military, due to "military clause" in lease; average tenure: 3-4 months
Indian Hills	Primarily childless couples; long tenant tenure; maintain waiting list
Parkview	60% families (playground on site)
Pinewood Village	30% military, due to "military clause"; 30% retired households
Regency	Wide mix, including children in 2-bedroom units; 6 month lease
Sandlewood	60% families; 40% military; average tenure: 6 months
The Villa	Wide mix of tenants
Westgate	40% military; waiting list for 1-bedroom units

APARTMENT VACANCIES
SAMPLING OF APARTMENT DEVELOPMENTS

<u>Development</u>	<u>Total Units</u>	<u>Vacant Units</u>	<u>Current Vacancy Rate</u>
Casa Grande	39	0	0%
Creekside	110	12	11%
Indian Hills	12	0	0%
Parkview	64	2	3%
Pinewood Village	200	20	10%
Regency	62	4	6%
Sandlewood	48	6	12%
The Villa	9	1	11%
Westgate	<u>208</u>	<u>10</u>	<u>5%</u>
Total	743	55	7%

APARTMENT RENTS
SAMPLING OF APARTMENT DEVELOPMENTS

<u>Development</u>	<u>One Bedroom</u> (Unfurnished)	<u>Two Bedroom</u> (Unfurnished)	<u>Three Bedroom</u> (Unfurnished)
Casa Grande	\$310	\$355	
Creekside	\$280	\$310-325	
Indian Hills	\$310	\$285-310	
Parkview	\$300	\$340	
Pinewood Village	\$160-205	\$200-260	\$255
Regency	\$295-305	\$315-355	
Sandlewood	\$285	\$325-330	
The Villa	\$300		
Westgate	\$310	\$350	

MILITARY HOUSING ALLOWANCES PER MONTH

	<u>Monthly Allowance</u>
Enlisted Single	\$127-\$283
Enlisted Married	\$222-\$398
Officer: Single	\$232-\$437
Officer: Married	\$302-\$527

Source: Warren Air Force Base

FISCAL PROFILE OF CITY OF CHEYENNE

PURPOSE

The purpose of this analysis is to provide a summary perspective on the City's financial practices, condition, and capacity to lend financial support to various capital improvement projects. This perspective is particularly useful when developing workable financial recommendations to implement central business district projects recommended within this analysis.

This summary perspective is a complement to, not a replacement for, information contained in the more detailed City audits and budgets prepared each year.

OVERVIEW

This fiscal profile is presented through a discussion of the following topics:

- .Sources of General Government Revenue
- .Types of General Government Expenditures
- .General Government Fund Balances
- .Tax Rates, User Fees and Services Charges
- .Enterprise Fund Activities
- .Financial Capacity
- .Financial Policies and Practices

The financial condition of the City's general government activities might be characterized as stable and constrained. The City has levied its maximum property tax mill levy (8 mills) since at least 1975; the City (through the county) also levies the maximum local option sales tax allowed (1%).

Without a significant increase in user fee rates, locally derived revenues will only increase in the future with general increases in assessed valuation, sales activity, and real estate development activity (which increases development-related service charges).

General government revenues placed in the General Fund, Special Revenue Fund, and Capital Projects Fund have increased historically at an average annual rate of 17.2 percent since FY 1975. Expenditures have followed a similar pattern since Wyoming statutes prohibit an annual deficit and since fund balances are not (politically) allowed to grow disproportionately to the scale of the budget.

The rate of increase in revenues has decreased in recent years. Between FY 1980 and FY 1984, total revenues increased at an average annual compound rate of 12.5 percent. Between FY 1983 and FY 1984, total revenues increased 8.8 percent.

Total revenues on a per capita basis have increased from \$127 per capita in FY 1975 to \$523 per capita in FY 1980, representing a 17.0 percent average annual compound rate of increase.

CHEYENNE TOTAL REVENUES AND EXPENDITURES
GENERAL FUND, SPECIAL REVENUE FUND, CAPITAL PROJECTS FUND

	<u>Total Revenues</u>	<u>Total Expenditures</u>
FY 1975	\$ 5,943,912	\$ 6,080,120
FY 1976	6,871,259	N/A
FY 1977	7,767,103	N/A
FY 1978	10,350,153	N/A
FY 1979	13,847,740	N/A
FY 1980	15,422,936	12,475,333
FY 1981	16,151,669	15,858,015
FY 1982	20,582,025	18,799,767
FY 1983	22,739,738	19,344,007
FY 1984	24,743,776	22,858,374

Note: Excludes Special Assessment,
Fiduciary and Proprietary Funds.

Source: Audits and Budgets, City of Cheyenne.

The City of Cheyenne provides 14 general government types of services and 4 enterprise services as listed below.

MAJOR SERVICES: CITY OF CHEYENNE

<u>General Government Services</u>	<u>Enterprise Services</u>
Administration	Civic Center
Building Control	City Center Parking
Engineering	Sewer
Fire Protection	Water
Health, Safety, Welfare	
Judicial	
Law Enforcement	
Parks and Recreation	
Planning	
Public Works	
Solid Waste	
Streets and Alleys	
Weed and Pest	
Zoning	

The City accounts for revenues, expenditures, assets and liabilities through four major funds.

General Fund

This fund accounts for operations, maintenance, and minor capital improvements associated with the 14 general government types of services.

Special Revenue Fund

This fund accounts for proceeds of special revenue sources that are legally restricted to special purposes. Proceeds from the 1 percent local option sales tax and federal revenue sharing are accounted for in this fund.

Capital Projects Fund

This fund accounts for major capital projects associated with general government services that are not accounted for in the special revenue fund.

Enterprise Funds

Four Enterprise Funds (Civic Center, City Center Parking, Water, Sewer) are accounted for within separate enterprise funds. These services are provided similar to private enterprise, in that user related fees and charges are designed to cover capital operation and maintenance costs.

SOURCES OF GENERAL GOVERNMENT REVENUE

The General Fund, Special Revenue Fund, and Capital Project Fund receive revenues from four types of sources: local (City of Cheyenne), state of Wyoming, Laramie County, Federal Government.

As described in the table that follows, local and state sources have accounted for between 90 and 95 percent of total general government revenues.

Local revenue sources have remained relatively constant over the last five years.

State of Wyoming revenue sources have increased, due to the distribution of mineral royalty and severance tax revenues.

Federal government revenues have consistently declined with the reduction in a number of categorical grant programs.

Similarly, Laramie County revenues have declined over the last five years.

HISTORIC TRENDS IN CHEYENNE REVENUE SOURCES GENERAL FUND, SPECIAL REVENUE FUND, CAPITAL PROJECTS FUND SELECTED FISCAL YEARS

<u>Revenue Source</u>	<u>FY 1976</u>	<u>FY 1978</u>	<u>FY 1980</u>	<u>FY 1982</u>	<u>FY 1984</u>
Local	49.6%	54.6%	58.1%	45.4%	50.2%
State	40.5%	40.0%	36.0%	50.7%	45.2%
Federal	8.0%	3.4%	2.7%	3.5%	4.5%
County	1.9%	2.0%	3.2%	0.4%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: Audits and Budgets, City of Cheyenne.

Locally generated revenues primarily include revenues from the 1 percent local option sales and use tax, property taxes, charges for services, fees fines and licenses, and franchise payments.

The 1 percent sales and use tax represents the largest portion of locally generated revenues. This revenue source has been increasing in significance for several reasons. Sales revenues increased consistently with inflation without a need to change the tax rate. This is a particular and unique benefit to this taxing resource. In addition, sales tax revenues from Frontier Mall have bolstered sales tax contributions to the City.

The next largest source of locally generated revenues is service charges. These charges, which have ranged between 10 and 12 percent of totally locally generated revenues in the last 4 years, tend to fluctuate with real estate development activity, since many revenues are earned from building permit fees, zoning and platting fees, and similar development related charges.

Property taxes have generated between 5 and 7 percent of total locally generated revenues. The City is currently levying the maximum mill rate allowed by State statute. Increases in this revenue source are consistent with increases in assessed valuation.

Revenues from the State of Wyoming are generated primarily from the City of Cheyenne's portion of the State sales and use tax, mineral royalties, and severance tax.

Since local share of State sales and use tax, mineral royalties tax and severance tax are distributed on the basis of population, the City of Cheyenne's portion of these taxing resources are quite high. It is interesting to note that the City's share of State sales and use tax has increased at an average annual compound rate of only 4.3 percent per year over the last 4 years; in contrast, the City's 1 percent local option sales and use tax increased at an average annual rate of 20.8 percent per year. The difference reflects the generally poor economic conditions in the State as a whole, due to energy-related recession, in contrast with relatively more robust retail sales activity in Cheyenne and Laramie County.

Note that the initiation of the State distribution of severance taxes (FY 1981) enhanced City of Cheyenne revenues. In FY 1984, the City of Cheyenne received over \$4.7 million in severance tax revenues, representing 19.1 percent of total general government revenues. However, the FY 1984 distribution was unusually high due to a State change in its remittance formula.

CHEYENNE GENERAL FUND, SPECIAL REVENUE FUND AND
CAPITAL PROJECTS FUND REVENUES
SELECTED FISCAL YEARS

<u>Source</u>	<u>FY 1980</u>	<u>FY 1982</u>	<u>FY 1984</u>
Local:			
1% Sales and Use Tax	19.8%	15.8%	23.5%*
Property Tax	5.7%	4.8%	4.6%
Motor Vehicle	1.1%	0.4%	0.9%
Charges for Service	11.7%	10.9%	9.7%
Civic Center	0.0%	0.5%	1.2%
Fees, Fines, Licenses	9.7%	6.2%	4.7%
Franchise Payments	6.3%	5.9%	4.0%
Interest	1.1%	0.5%	1.2%
Reimbursements	2.7%	0.4%	0.3%
Subtotal	<u>58.1%</u>	<u>45.4%</u>	<u>50.2%</u>
State:			
3% Sales and Use Tax	22.9%	17.3%	15.1%
Gasoline Tax	3.5%	2.6%	2.1%
Cigarette Tax	2.8%	1.5%	1.4%
Mineral Royalties	6.5%	6.6%	7.6%
Other, Severance Tax	0.3%	22.7%	19.1%
Subtotal	<u>36.0%</u>	<u>50.7%</u>	<u>45.2%</u>
Federal			
Revenue Sharing	2.7%	3.5%	4.5%
Laramie County	3.2%	0.4%	0.0%
TOTAL %	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
TOTAL \$	\$13,790,740	\$20,582,025	\$24,743,776

Source: Audits and Budgets, City of Cheyenne.

TYPES OF GENERAL GOVERNMENT EXPENDITURES

Primary expenditures from the City's General Fund, Special Revenue Fund, and Capital Projects Fund have historically for:

- Administration
- Law enforcement
- Fire protection
- Capital expenditures

The proportion of dollars spent on administration has decreased from 15.4 percent in FY 1980 to 12.4 percent in FY 1984. This reflects an average annual increase of only 3.4 percent per year, in current dollars.

The proportion of expenditures in law enforcement has increased from 11.5 percent in FY 1980 to 14.9 percent in FY 1984; this is equivalent to an average annual compound rate of increase of 15.8 percent year year, in current dollars.

Similarly, the proportion of expenditures on fire protection has increased from 9.7 to 12.9 percent over the same 4 year interval, reflecting an average annual compound rate of increase of 16.6 percent per year.

The proportion of expenditures on major capital items has generally decreased.

GENERAL FUND, SPECIAL REVENUE FUND AND CAPITAL PROJECTS FUND EXPENDITURES SELECTED FISCAL YEARS

<u>Expenditure Type</u>	<u>FY 1980</u>	<u>FY 1982</u>	<u>FY 1984</u>
Administration	15.4%	14.2%	12.7%
Judicial	1.7%	2.2%	2.3%
Planning	1.2%	1.6%	1.2%
Engineering	3.9%	4.0%	3.5%
Streets and Alleys	9.6%	12.0%	6.2%
Solid Waste	6.8%	8.4%	6.1%
General Public Works	6.8%	8.8%	9.5%
Law Enforcement	11.5%	15.2%	14.9%
Fire Protection	9.7%	12.4%	12.9%
Parks and Recreation	5.2%	5.9%	6.6%
Health, Safety, Welfare	2.2%	2.8%	3.1%
Civil Defense	0.1%	0.2%	N/A
Airport	1.1%	0.2%	N/A
Weed and Pest	0.3%	0.3%	0.4%
Civic Center	0.1%	2.0%	1.3%
Miscellaneous Equipment	0.1%	1.5%	N/A
Capital Expenditures	24.3%	8.3%	16.5%
Revenue Sharing	N/A	N/A	N/A
TOTAL	100.0%	100.0%	100.0%

\$16,474,497 \$20,493,111 \$22,858,374

Source: Audits and Budgets, City of Cheyenne.

GENERAL GOVERNMENT FUND BALANCES

The City of Cheyenne has generally maintained a General Fund, fund balance between 6 and 9 percent, as outlined below.

	GENERAL FUND FUND BALANCES			
	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>
Beginning	\$1,498,506	\$1,428,595	\$911,717	\$1,527,289
Ending	\$1,428,595	\$911,717	\$1,527,289	

Source: Audits, City of Cheyenne.

TAX RATES, USER FEES AND SERVICE CHARGES

The City of Cheyenne levies 8 mills on its assessed valuation; this is the highest mill levy allowed by State statute.

The 1 percent local sales and use tax option is applied in Cheyenne and Laramie County; this is the highest tax rate allowed by State statutes.

Park and recreation fees (\$350,712 in FY 1985) are expected to cover 55 percent of park, recreation and golf operation and maintenance expenses and 19 percent of the total parks and recreation operation and maintenance expenses. Communities with exceedingly aggressive park and recreation fee schedules typically strive to cover 100 percent of their recreation operation and maintenance budgets but none of their general administration costs or capital costs.

Engineering fees, which include building permits, zoning, and development fees (\$270,194 in FY 1985) are expected to cover operation and maintenance costs for the building permit, electric permit, plumbing permit, public works permit, and one-third of the zoning/site planning/nuisance control expenses. Expected revenues from engineering fees make these sections of the public works department self-sustaining.

Revenues from the City's solid waste operations (\$2,035,149 in FY 1985) are expected to cover 109 percent of the operations, maintenance and capital costs of solid waste services in the City (\$1,691,633 in FY 1985).

Water and sewer fees and charges cover operations, maintenance, capital and debt service costs of these two enterprise fund activities.

City center parking lot revenues cover approximately 75 percent of associated operating, maintenance and debt service costs.

Civic Center revenues cover only 16 percent of Civic Center operation and maintenance expenses, excluding repayment of the loan for construction of the Center.

ENTERPRISE FUND ACTIVITIES

The City of Cheyenne manages four enterprise fund types of activities:

- Water
- Sewer
- Civic Center
- City Center Parking Lot

Water Enterprise Fund

Revenues generated by monthly service charges, tap fees and various user fees cover water operation, maintenance, capital and debt service costs with no needed infusion of revenues from the General Fund.

This Fund finances debt service on four bond issues which collectively have an outstanding balance of \$11,480,296, as of the end of FY 1984. In FY 1985 the Water Enterprise Fund will begin payment on its share of the Stage II Cheyenne Water Project. This annual expenditure (estimated to be \$1.3) will be financed by scheduled increases in user fees; the first increase in user fees occurred in FY 1984 and yielded additional net revenues more than sufficient to finance its share of the project.

WATER ENTERPRISE FUND

	<u>FY 83</u>	<u>FY 84</u>
Revenues		
Operating	\$3,428,118	\$5,237,292
Non-Operating	497,405	306,001
Total	<u>\$3,925,523</u>	<u>\$5,543,293</u>
Expenses		
Operating	\$2,444,928	\$2,786,791
Non-Operating	514,893	468,612
Total	<u>\$2,959,921</u>	<u>\$3,255,403</u>
Net Income	\$965,702	\$2,287,890
Note: Fund Balance		
End of Year	\$21,906,320	\$24,194,210

Sewer Enterprise Fund

Revenues from service charges, tap fees, and other user-related charges cover capital, operation, maintenance and debt service costs to run the sewer system.

Total bonded indebtedness was approximately \$2,715,000 at the end of FY 1984; annual bonded indebtedness totaled about \$295,000 or 19 percent of annual sewer expenditures.

Note that this Fund has a balance of 4 times its annual expenditure volume.

SEWER ENTERPRISE FUND

	<u>FY 83</u>	<u>FY 84</u>
Revenues		
Operating	\$1,134,950	\$1,422,782
Non-Operating	292,927	265,450
Total	<u>\$1,427,877</u>	<u>\$1,688,232</u>
Expenses		
Operating	\$1,209,788	\$1,348,004
Non-Operating	176,133	168,467
Total	<u>\$1,385,921</u>	<u>\$1,516,471</u>
Net Income	\$41,956	\$171,761
Note: Fund Balance End of Year	\$6,446,580	\$6,618,341

Civic Center Fund

Revenues generated from use of the Civic Center covered approximately 16 percent of total operation and maintenance expenses of the Center in FY 1984; this excluded payment of the loan for Civic Center construction.

The net (loss) in the Civic Center Fund is financed from General Fund and Capital Projects Fund transfers.

CIVIC CENTER ENTERPRISE FUND

	<u>FY 83</u>	<u>FY 84</u>
Revenues		
Operating	\$75,388	\$83,271
Non-Operating	0	0
Total	<u>\$75,388</u>	<u>\$83,271</u>
Expenses		
Operating	\$459,839	\$489,451
Non-Operating	27,728	18,206
Total	<u>\$487,567</u>	<u>\$507,657</u>
Net Loss Before Transfers	(\$412,179)	(\$424,386)
Note: Fund Balance End of Year	\$120,626	\$132,666

Civic Center Parking Fund

Civic Center parking is managed through the Department of Administrative Services. This Fund maintains facilities at four off-street parking lots in the downtown area and covers annual debt service for the parking lot revenue bond (an \$800,000 issue originated in 1974 and due in 1995).

Total revenues cover approximately 75 percent of total operating, maintenance and service expenses from this activity. The net losses in this account are compensated with transfers from the Capital Projects Fund.

Debt service, which was \$69,800 in FY 1984 represents 70 percent of total expenditures in this activity.

CITY CENTER PARKING FUND

	<u>FY 83</u>	<u>FY 84</u>
Revenues		
Operating	\$62,478	\$59,396
Non-Operating	16,651	14,556
Total	<u>\$79,129</u>	<u>\$73,952</u>
Expenses		
Operating	\$59,083	\$65,482
Non-Operating	35,850	33,750
Total	<u>\$94,933</u>	<u>\$99,232</u>
Net Loss Before Transfers	(\$15,804)	(\$25,280)
Note: Fund Balance End of Year	\$65,455	\$70,175

FINANCIAL CAPACITY

The City of Cheyenne is at its maximum allowable property tax rate (8 mills). Additional revenues generated from property taxes will need to come from increases in assessed valuation. Over the last five years, assessed valuation has increased at an average annual rate of 5.5 percent per year as summarized below.

CITY OF CHEYENNE, WYOMING ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Assessed To Total Estimated Actual Value</u>
1975	\$ 73,426,318	\$ 863,839,000	8.5%
1976	80,266,881	944,316,000	8.5%
1977	91,273,060	1,073,801,000	8.5%
1978	95,888,513	1,128,100,000	8.5%
1979	101,314,495	1,191,935,000	8.5%
1980	108,806,034	1,280,071,000	8.5%
1981	117,552,097	1,382,966,000	8.5%
1982	121,677,236	1,431,497,000	8.5%
1983	134,993,680	1,588,160,941	8.5%
1984	142,545,113	1,677,001,329	8.5%

The 10 largest property tax payers which collectively represent 41 percent of the total assessed valuation in the City include 6 utility companies and 4 oil and gas related concerns. These tax payers are summarized below.

CITY OF CHEYENNE, WYOMING
PRINCIPAL TAXPAYERS
June 30, 1984

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage Of Total Assessed Valuation</u>
Mountain States Tel. and Tel.	Telephone	\$17,522,420	12.29%
Husky Oil Co.	Refinery	9,429,011	6.61%
Union Pacific	Railroad	8,036,532	5.64%
Amoco	Oil and Gas	4,967,542	3.48%
Wycon Chemical Co.	Chemical Manufacturer	4,669,469	3.28%
American Tel. and Tel.	Telephone	3,875,927	2.72%
Cheyenne Light, Fuel and Power Co.	Utility	3,475,000	2.44%
Basin Power	Utility	2,603,583	1.83%
Mobil Oil	Oil and Gas	1,965,632	1.38%
Burlington Northern	Railroad	1,483,681	1.04%
		<u>\$58,028,897</u>	<u>40.71%</u>

Source: Laramie County Tax Assessor

The City levies the maximum sales tax allowed (1%). Additional revenues from the local option sales tax are likely to come from additional retail sales activity. Over the last five years, sales tax revenues have increased at an average annual rate of 7.5 percent per year as presented in Chapter 4.

User fees and service charges for water, sewer, solid waste, and building related fees are not likely to be increased since these fees currently cover operations, maintenance and debt service costs for the associated service delivered. User fee rates or revenues from existing user fees schedules for park and recreation and civic center services might be increased to enable these functions to become more self-sustaining; however, increases in the user fee rate or rate of use for these services is a major policy decision clearly within the purview of the City Council itself.

By State statute, the City is allowed a borrowing capacity for general obligation bonds of 4 percent of its assessed valuation and an additional borrowing capacity for sewer obligation bonds of 4 percent of its assessed valuation. [Water-related bonded indebtedness is exempt from the ceiling.] To date the City has no outstanding general obligation bonds, yielding an unused borrowing capacity of approximately \$5.7 million. The City has limited sewer obligation bonds outstanding, yielding a net borrowing capacity of \$3.1 million.

**BORROWING CAPACITY:
BEGINNING OF FY 1985**

Total Assessed Valuation	\$141,969,642
Total Borrowing Capacity Allowed:	
General Obligation Bonds	\$ 5,678,786
Sewer Obligation Bonds	5,678,786
Total Borrowing Capacity Used:	
General Obligation Bonds	\$ 0
Sewer Obligation Bonds	2,551,352
Less Sinking Fund	
Total Borrowing Capacity Available:	
General Obligation Bonds	\$ 5,678,786
Sewer Obligation Bonds	3,127,434

FINANCIAL POLICIES AND PRACTICES

The City has financed one major public improvement within the downtown area, construction of the City Center parking lot. An \$800,000 revenue bond issue was issued in 1974 to finance property acquisition and construction of the parking lot. At the end of FY 1984, this issue had an outstanding balance of \$545,000.

The City approved 23 Industrial development bond issues up through FY 1983. Seventy percent of these issues were approved after 1980 as summarized in the table below.

INDUSTRIAL DEVELOPMENT BONDS ISSUED BY THE CITY OF CHEYENNE

Pre-1980	7
1980	4
1981	5
1982	3
1983	<u>4</u>
	23

Prior to 1984, the City had approved only 1 special assessment district, the Westlake Improvement District formed in 1977. Recently, however, the City approved 3 special assessment districts.

Historically, the City of Cheyenne has structured its composite revenue schedules to enable many services to be self-sustaining with user fees and minimal inter-fund transfers. This is a most equitable way of charging for services it provides.

There appear to be ample fund balances in the water, sewer and general fund, sufficient to sustain these funds through several years of stagnant growth.

RESIDENT DEMOGRAPHICS

OVERVIEW

This section summarizes relevant statistics about the primary and secondary trade area demographics and presents population and household forecasts for these two areas.

Demographic characteristics of the trade area are significant in determining the appropriate mix and target merchandising for retail establishments.

Population and household forecasts are the driving ingredient to estimate resident purchasing potential, which measures demand for retail goods and services in the Cheyenne market area.

1980 DEMOGRAPHICS

Cheyenne area residents have some significant demographic characteristics which are important in examining the retail trade and services activity and in proposing residential development opportunities. These characteristics are quantified on the pages that follow and described below. Cheyenne residents are distinguished by the following:

- . The Cheyenne age distribution, excluding Warren Air Force Base, closely parallels the United States; relative to Wyoming, Cheyenne contains relatively fewer persons 19 and under and relatively more persons 65 and older.
- . Nearly one-half (47%) of the Warren Air Force Base staff and dependents are between 20 and 34; in contrast, 27 percent of the Cheyenne population and 30 percent of the Wyoming population is within this age category.
- . The 1979 median household income in Cheyenne (\$17,708) was effectively the same as the national median (\$17,710); the 1979 median household income in Wyoming (\$19,994) was 13 percent above the national average; median household income at Warren Air Force Base (\$12,126) was 32 percent below the national average, but military incomes are not directly comparable due to housing, food and entertainment subsidies.
- . Average persons per household in Cheyenne (3.22) was 17 percent higher than the state average.
- . Only 59 percent of all households in Cheyenne are married couples; in contrast, 66 percent of all households in Wyoming and 63 percent of all households in the United States are married couples.
- . Nearly 93 percent of all Warren Air Force Base households are married couples.

1980 POPULATION BY AGE
CHEYENNE, WARREN AFB, LARAMIE COUNTY, WYOMING, UNITED STATES

Age Category	Cheyenne	Warren AFB	Laramie County	Wyoming	United States
0 - 4	7.7%	15.5%	8.3%	9.6%	7.2%
5 - 19	24.2%	28.6%	25.1%	25.3%	24.6%
20 - 24	9.8%	25.9%	10.6%	10.8%	9.4%
25 - 34	17.8%	21.6%	18.0%	18.9%	16.5%
35 - 44	11.4%	7.2%	11.7%	11.2%	11.3%
45 - 54	10.1%	1.1%	9.5%	8.9%	10.1%
55 - 64	8.8%	0.1%	8.0%	7.4%	9.6%
65+	10.2%	0.0%	8.8%	7.9%	11.3%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%
Total	47,283	3,627	68,649	469,557	226,504,800
Median Age	29.2	21.0	27.9	27.0	31.3

SOURCE: General Population Characteristics: Wyoming, 1980;
and U.S. Department of Commerce, Bureau of the Census, 1981.

DISTRIBUTION OF 1979 HOUSEHOLD INCOME

Income	Cheyenne	Warren AFB	Laramie County	Wyoming	United States
<\$5,000	10.8%	1.5%	10.1%	9.3%	11.7%
\$5,000-\$9,999	15.6%	29.6%	16.1%	13.6%	15.8%
\$10,000-\$14,999	15.7%	30.0%	16.3%	13.3%	14.9%
\$15,000-\$24,999	26.1%	31.7%	26.1%	28.1%	25.5%
\$25,000-\$49,999	27.3%	7.2%	27.3%	30.7%	26.8%
\$50,000+	4.3%	0.0%	4.1%	4.9%	5.3%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%
HOUSEHOLDS	18,207	797	25,249	166,758	83,368,000
MEDIAN INCOME	\$17,708	\$12,126	\$17,630	\$19,994	\$17,710

SOURCE: General Social and Economic Characteristics: Wyoming, 1980;
and U.S. Department of Commerce, Bureau of the Census.

SELECTED HOUSEHOLD CHARACTERISTICS: 1980

<u>Characteristic</u>	<u>Cheyenne</u>	<u>Warren AFB</u>	<u>Larimer County</u>	<u>Wyoming</u>	<u>United States</u>
# Households	18,207	797	25,249	166,758	68,991,307
Average Persons Per Household	3.22	3.50	2.67	2.76	
% 1-Person Households			23.1%	21.1%	22.8%
% Married Couples	59.7%	93.2%	63.8%	65.9%	63.4%
# Families	12,704	790	18,412	123,420	
Average Persons Per Family	3.69	3.57	3.20	3.26	

Sources: Detailed Population Characteristics: Wyoming and United States; General Social and Economic Characteristics; Wyoming and United States, U.S. Department of Commerce, Bureau of the Census.

POPULATION AND HOUSEHOLD FORECASTS

Population forecasts have been developed as part of the Peacekeeper Missile Environmental Impact Statement Technical Report series. The "no-action" alternative within this analysis was developed to forecast a most likely growth path without development of the Peacekeeper Missile. These calculations are summarized below and presented in more detail in the Final Environmental Planning Technical Report: Socioeconomics.

The primary trade area is considered to be Laramie County. The secondary trade area includes Albany, Goshen and Platte Counties in Wyoming and Kimball County in Nebraska.

According to these calculations, total population in the primary trade area is expected to increase at an average compound rate of growth of 2 percent per year during the next 9 years. Total population in the secondary trade area is expected to increase approximately 1.5 percent per year.

Due to declining household size forecasts, total households are expected to increase slightly more rapidly than total population.

SUMMARY OF POPULATION FORECASTS

	<u>1980</u>	<u>1983</u>	<u>1985</u>	<u>1990</u>	<u>1992</u>
Primary Trade Area:					
Estimate	68,600	70,470	72,910	80,780	84,190
Average Annual Change		0.9%	1.7%	2.1%	2.1%
Secondary Trade Area:					
Estimate	58,400	54,000	55,590	60,170	61,980
Average Annual Change		(2.6%)	1.5%	1.6%	1.5%
TOTAL					
Estimate	127,000	124,470	128,500	140,950	146,170
Average Annual Change					

SUMMARY OF HOUSEHOLD FORECASTS

Primary Trade Area:					
Estimate	25,290	26,870	28,360	32,460	34,260
Average Annual Change					
Secondary Trade Area:					
Estimate	21,290	20,570	21,610	24,180	25,230
Average Annual Change					
TOTAL					
Estimate	46,580	47,440	49,970	56,640	59,490
Average Annual Change					

Source: Final Environmental Planning Technical Report:
Socioeconomics, Department of the Air Force,
January, 1984.

POPULATION FORECASTS BY COUNTY

	<u>1980</u>	<u>1983</u>	<u>1985</u>	<u>1990</u>	<u>1992</u>
Primary Trade Area:					
Laramie County	68,600	70,470	72,910	80,780	84,190
Secondary Trade Area:					
Albany County	29,100	27,650	28,690	31,020	32,020
Goshen County	12,000	12,130	12,310	13,380	13,690
Platte County	12,400	4,370	9,760	10,960	11,470
Kimball County	4,900	4,850	4,830	4,810	4,800
TOTAL	<u>58,400</u>	<u>54,000</u>	<u>55,590</u>	<u>60,170</u>	<u>61,980</u>

HOUSEHOLD FORECASTS BY COUNTY

Primary Trade Area:					
Laramie County	25,290	26,870	28,360	32,460	34,260
Secondary Trade Area:					
Albany County	10,640	10,590	11,280	12,730	13,360
Goshen County	4,470	4,640	4,780	5,330	5,510
Platte County	4,380	3,470	3,640	4,130	4,340
Kimball County	1,800	1,870	1,910	1,990	2,020
TOTAL	<u>21,290</u>	<u>20,570</u>	<u>21,610</u>	<u>24,180</u>	<u>25,230</u>

Source: Final Environmental Planning Technical Report:
Socioeconomics, Department of the Air Force,
January, 1984.

EMPLOYMENT CHARACTERISTICS

OVERVIEW

This chapter summarizes current employment characteristics of Laramie County and reviews forecasts for each sector of economic activity for the next decade. Forecasts are taken from the Economic Base Analysis Working Papers, prepared in support of the Peacekeeper Missile Environmental Impact Statement.

CURRENT EMPLOYMENT PROFILE

Current (1983) estimates of full-time equivalent employment by sector in Laramie County is presented below. Note that no one sector dominates the local economy. Sectors with the highest employment include:

<u>Sector</u>	<u>Proportion of Employment</u>
Government	32.9%
Retail Trade	17.6%
Services	16.9%
Transportation/ Communications/ Utilities	10.2%

Source: Wyoming Labor Force Trends,
Wyoming Department of Employment
Security and Economic Base Analysis
Working Paper #5, URS-Berger, 2/84.

LARAMIE COUNTY
1983 EMPLOYMENT IN FULL-TIME EQUIVALENTS

<u>Sector</u>	<u>#</u>	<u>%</u>
Agricultural Services	782	3.0%
Mining	352	1.0%
Construction	1,990	5.6%
Manufacturing	1,496	4.2%
Durable	667	1.9%
Non-durable	829	2.3%
T.C.U.*	3,655	10.2%
Transportation	1,869	5.2%
Communications & Utilities	1,786	5.0%
Wholesale Trade	1,132	3.2%
Retail Trade	6,278	17.6%
F.I.R.E.**	1,922	5.4%
Services	6,051	16.9%
Hotels & Lodging	677	1.9%
Health Services	1,895	5.3%
Other Services	3,479	9.7%
Government	11,764	32.9%
Federal, Civilian	1,849	5.2%
Federal, Military	3,677	10.3%
State	3,266	9.1%
Local	2,972	8.3%
Total Employment	35,712	100.0%

* Transportation, Communications and Utilities.

**Finance, Insurance and Real Estate.

Source: Economic Base Analysis Working Paper #5,
Peacekeeper EIS, URS-Berger, 2/84.

In contrast with Wyoming and the United States, Laramie County has:

- proportionately more employees in transportation, communications and utilities, due to the presence of statewide headquarters for Mountain Bell and Cheyenne Light Fuel and Power;
- proportionately more employees in retail trade, due to its position as a regional trade center;
- proportionately more employees in government, due to its position as State Capitol;
- proportionately fewer employees in manufacturing, wholesale trade and mining.

DISTRIBUTION OF WAGE AND SALARY EMPLOYMENT:
LARAMIE COUNTY, WYOMING AND UNITED STATES

<u>Sector</u>	<u>Laramie County</u>	<u>Wyoming</u>	<u>United States</u>
Mining	0.0%	13.1%	1.1%
Construction	6.6%	8.8%	6.0%
Manufacturing	3.3%	3.9%	21.2%
TCU*	11.3%	8.1%	6.8%
Wholesale Trade	2.6%	4.4%	4.3%
Retail Trade	20.4%	17.4%	17.3%
FIRE**	5.6%	3.8%	6.5%
Services	17.9%	15.3%	31.3%
Government	32.2%	25.2%	5.5%
Federal	(8.0%)	(3.3%)	N/A
State & Local	(24.2%)	(21.9%)	N/A
TOTAL	100.0%	100.0%	100.0%

* Transportation, Communications and Utilities.

**Finance, Insurance and Real Estate.

Sources: County and State: Wyoming Labor Force Trends,
Volume 21, No. 3, April, 1984, Wyoming Department of Employment Security.

United States: U.S. Bureau of Labor Statistics,
Employment and Earnings, (1982)

There is minimal seasonal employment due to dominance of long-tenure public sector positions and feasibility of outdoor construction throughout most years.

SEASONALITY INDEX
BASED ON 10 YEARS OF STATISTICS (1972-1982)

<u>Month</u>	<u>Employment</u>	<u>Month</u>	<u>Employment</u>
Annual Average	100		
January	93.9	July	102.8
February	94.2	August	102.4
March	95.6	September	103.4
April	97.9	October	102.0
May	100.0	November	100.0
June	103.6	December	99.9

Source: Economic Base Analysis Working Paper #5,
Peacekeeper EIS, URS-Berger, 2/84.

TOTAL "BASELINE" EMPLOYMENT FORECASTS

A detailed economic base analysis and forecasts were prepared in support of the Peacekeeper Environmental Impact Statement. Two sets of projections were developed: baseline (without the Peacekeeper missile) and Peacekeeper Missile impact. This chapter reviews total baseline projections. This analysis forecasts the "basic" employment in each economic sector and calibrates a multiplier to translate basic sector employment into total baseline employment.

"Basic" employment includes all jobs generated by income outside of Laramie County. "Non-basic" employment includes all jobs generated by income within the County. For example, military, agriculture and manufacturing jobs are "basic" because the goods and services produced by this employment is sold outside of the County. Teachers, personal service workers, and local government employment jobs are "non-basic" because demand for these goods is generated within and paid by resources within the County.

This section summarizes the significant findings and forecasts of this analysis.* This insight is useful in gaining a long-term perspective on the economic health of the Laramie County economy.

A summary of significant forecast observations follows:

- . Total baseline employment is expected to increase at an average annual rate of 1.0 percent per year from 1983 through 1992.
- . Sectors expected to increase more rapidly than this rate include construction, transportation/communications/utilities, services and state government.
- . Sectors expected to remain constant or decline slightly include agriculture, mining, federal civilian and military service.
- . Stability of both historic and forecasted growth is attributable to the diversity and non-cyclical nature of public sector employment.
- . The County is indirectly influenced by energy related activity through its lodging, transportation, communications, and utilities sectors.
- . The County economy follows trends more closely aligned with national activity rather than state or regional activity.
- . Forecasts generally are aligned but are below national forecasts. The primary reasons are due to the substantial historic growth and infrastructure development over the last 15 years in banking, roads, public buildings, shopping, restaurants and lodging, which should be sufficient with accommodate new growth without corresponding increases in employment.

* For a more detailed presentation of these forecasts, see:
Laramie County Economic Base Analysis Working Paper #6,
URS-Berger, December, 1983.

BASELINE EMPLOYMENT FORECASTS

Baseline employment forecasts are presented below; a summary discussion of each sector follows.

The County's baseline employment is expected to increase an average of 0.9 percent per year from 1983 to 1992; no individual sectors are expected to experience exceptional growth over the forecast period.

LARAMIE COUNTY: 1983-1992 TOTAL BASELINE EMPLOYMENT FORECASTS BY SECTOR

<u>Sector</u>	<u>1983</u>	<u>1985</u>	<u>1990</u>	<u>1992</u>
Agriculture	1,444	1,446	1,447	1,447
Mining	381	386	320	322
Construction	2,395	2,507	2,712	2,810
Manufacturing	1,700	1,707	1,734	1,767
TCU	4,217	4,304	4,609	4,717
Wholesale Trade	1,345	1,383	1,440	1,472
Retail Trade	7,389	7,647	7,995	8,127
FIRE	2,191	2,251	2,309	2,333
Services	6,859	7,078	7,460	7,606
Government				
Federal Civilian	1,910	1,910	1,910	1,910
Federal Military	4,040	4,040	4,040	4,040
State Government	2,937	3,000	3,232	3,311
Local Government	3,398	3,535	3,665	3,721
Others	131	131	131	131
TOTAL	40,337	41,325	43,004	43,714

* Transportation, Communications, Utilities.

**Finance, Insurance and Real Estate.

Source: Peacekeeper Missile (Final) Economic Base Analysis
Working Paper, URS-Berger, 1984.

Sector
AGRICULTURE

Employment Activity

Current
Conditions

Principle agricultural activities include cattle and sheep ranching, dry land wheat, hay, barley, oats and dry beans. Crops and livestock are primarily sold in Colorado to feedlots; crops are traded internationally.

Forecast

Employment has not tracked national trends. Ranching employment may increase; crop acreage and employment is expected to remain stable.

Employment forecast: 0.0% per year, 1983-1992.

MINING

Current
Conditions

Only 7 oil wells and sand and gravel are mined in the County.

Forecast

Oil drilling is expected to end in 1995. Sand and gravel activity is expected to remain stable.

Employment forecast: 3.4% per year, 1983-1992.

CONSTRUCTION

Current
Conditions

About 55 percent of construction is basic and related to roads, power lines, and similar projects.

Forecast

County forecasts are anticipated to perform consistently with national trends; road construction should increase consistent with increased gas tax revenues.

Employment forecast: 2.4% per year, 1983-1992.

MANUFACTURING

Current
Conditions

About 90 percent of this sector is basic jobs. Primary manufacturers include an oil refinery and associated asphalt plant, chemical production, printing and food products.

Forecast

Basic manufacturing employment is expected to recover to 1982 levels as the national economy rebounds; after 1988, the oil refinery is expected to decrease in employment and stabilize sector increases.

Employment forecast: 0.4% per year, 1983-1992.

TRANSPORTATION

Current Conditions About 63 percent of this sector is basic employment. Major employers include Union Pacific Railroad, Burlington Northern Railroad and Greyhound Bus Line.

Forecast Employment is expected to increase 2.5 percent per year. Growth in this sector should be greater than national trends because of the County's strategic location in the movement of goods and its proximity to energy-related production.

(T/C/U) Employment forecast: 1.4% per year, 1983-1992.

COMMUNICATIONS AND UTILITIES

Current Conditions About 73 percent of this sector is basic employment. Major employers include Mountain Bell and Cheyenne Light Fuel and Power.

Forecast Employment is expected to follow population growth in the utilities' service regions. Reorganization in the telephone industry occurred in 1982 and 1983; the slight reduction in employment experienced during these years has now stabilized.

(T/C/U) Employment forecast: 1.4% per year, 1983-1992.

WHOLESALE TRADE

Current Conditions An unusually high (49 percent) of this sector is basic employment. There are no major employers; petroleum products, food and beverages and farm products are handled by sector employers.

Forecast Projections increase consistently with national forecasts.

Employment forecast: 1.0% per year, 1983-1992.

RETAIL TRADE

Current Conditions Basic retail employment is associated with the travel and tourism activity; 30 percent of this sector is basic. The sector contains many employers providing eating and drinking, merchandise and gasoline service.

Forecast Employment is expected to increase until 1986, due to reductions in sales leakage and expansion of the trade area. After 1986, employment is expected to increase consistently with population increases.

Employment forecast: 1.2% per year, 1983-1992.

FINANCE, INSURANCE AND REAL ESTATE

Current Conditions Due to insurance activity, this sector contains 32 percent basic employment. Most banks conduct business only in Laramie County.

Forecast Effectively no employment growth is expected due to major changes in the fabric of the insurance and banking institutions. Revenues will likely increase with no associated increases in employment.

Employment forecast: 0.0% per year, 1983-1992.

LODGING

Current Conditions About 88 percent of this sector is basic. Business activity is dependent on business and government-related activity, conventions, commercial travel and tourism.

Forecast Rate of increase in employment is expected to slow as older establishments become less competitive with national chains. Changes in the composition of business will not translate into employment increases.

Employment forecast: 0.8% per year, 1983-1992.

Note: these calculations from Economic Base Analysis Working Paper #6.

HEALTH AND MEDICAL

Current Conditions Due to the Veteran's Administration Medical Center and Laramie County Memorial Hospital's extended service areas, 21 percent of this sector is basic employment.

Forecast Reductions in hospital use will cause a decline in employment through 1985, followed by an increase due to planned expansion of the Veterans Medical Center.

Employment forecast: 1.4% per year, 1983-1992.

Note: these calculations from Economic Base Analysis Working Paper #6.

OTHER SERVICES

Current Conditions These include professional services, personal services and repair services. An estimated 20 percent of this sector is basic employment, due to services rendered to other Wyoming, Colorado and Nebraska residents.

Forecast Growth in this sector is expected to increase at one-half the national rate due to current excess capacity within the sector and slow population growth in other Wyoming counties served by Laramie County businesses.

Employment forecast: 1.8% per year, 1983-1992.

Note: these calculations from Economic Base Analysis Working Paper #6.

GOVERNMENT

Current Conditions { Federal employment comprises 26 percent of total County jobs. The military represents two-thirds of these jobs; civilians fill one-third. Cheyenne is the State Capitol and has an estimated 2,937 state jobs.

Forecast Federal civilian and military employment are expected to remain stable over the next 9 years. State and local employment are expected to increase moderately.

Employment forecast: 0.9% per year, 1983-1992.

THE PEACEKEEPER PROGRAM

PEACEKEEPER MISSILE PROJECT

"The President has directed that the Air Force deploy the Peacekeeper missile system at a location near F.E. Warren Air Force Base (hereafter F.E. Warren AFB), close to Cheyenne, Wyoming. The Peacekeeper system (formerly known as the M-X system) is an advanced, land-based intercontinental ballistic missile. The plan calls for the replacement of 100 existing Minuteman III missiles with 100 Peacekeeper missiles. Existing missile silos will be used, and there will be very little structural modification needed. Missile replacement will occur within the two squadrons (of 50 missiles each) located nearest F.E. Warren AFB, the 319th and 400th Strategic Missile Squadrons. Peacekeeper deployment will occur between 1984 and 1989."*

The materials cost of the project is \$145,402,000. Construction cost estimates are not available.

EMPLOYMENT IMPACT

The table below summarizes employment forecasts of the Peacekeeper Missile within the "Region of Influence" which includes Laramie, Goshen and Platte Counties in Wyoming and Banner, Kimball and Scotts Bluff Counties in Nebraska. Total jobs associated with the Peacekeeper Missile impact range from 250 in 1984 to a peak of 2,675 in 1986.

EMPLOYMENT IMPACT OF PEACEKEEPER MISSILE PROJECT

Year	Direct Jobs	Indirect Jobs	Total Jobs
1984	145 ²⁰⁰	105	250
1985	1,220 ⁴⁰⁰	1,180	2,400
1986	1,595	1,080	2,675
1987	1,540	1,080	2,550
1988	1,320	705	2,025
1989	1,275	550	1,825
1990	507	143	650
1991	475	115	590
& beyond			

* Final Environmental Planning Technical Report:
[Socioeconomics], U.S. Department of the Air Force,
January, 1984.

Source: Table 1-1.1, Final Environmental Planning Technical
Report [Socioeconomics], U.S. Air Force, January, 1984.

POPULATION IMPACT

Total population impact. Including workers and families, associated with the Missile system development is expected to range between 275 in 1984 and 2,625 in 1987. The City of Cheyenne is expected to absorb between approximately 80 and 100 percent of the population from the Missile system development.

EMPLOYMENT IMPACT OF PEACEKEEPER MISSILE PROJECT

Year	Total Jobs	Total Impact Population	Total Population In Cheyenne	
			#	%
1984	250	275	275	100%
1985	2,400 (1900)	1,475	1,350	92%
1986	2,675	2,875	2,275	79%
1987	2,550	3,200	2,625	82%
1988	2,025	3,025	2,450	81%
1989	1,825	2,875	2,325	81%
1990	650	1,200	1,200	100%
1991 & beyond	590	925	925	100%

Source: Table 1-1.1, Table 3.5.1-18, Final Environmental Planning Technical Report [Socioeconomics], U.S. Air Force, January, 1984.

This impact on the City of Cheyenne increases its total population over baseline population between 0.4 and 3.5 percent over the eight year impact period.

BASELINE AND PROPOSED ACTION POPULATION IMPACTS CHEYENNE URBAN AREA

<u>Year</u>	<u>Baseline Population [Without Peacekeeper Impact]</u>	<u>Peacekeeper Workers and Family</u>	<u>Transients and Family Total</u>	<u>Total Population</u>
1984	65,730	206	69	66,005
1985	67,210	1,026	324	68,560
1986	68,420	2,047	228	70,695
1987	69,870	2,363	262	72,495
1988	71,290	2,306	294	73,740
1989	72,840	2,093	232	76,165
1990	74,300	1,044	156	75,500
1991	75,890	925	0	76,815
1992	77,360	925	0	78,285

Source: Final Environmental Planning Technical Report:
[Socioeconomics], U.S. Department of the Air Force,
January, 1984.

Most of the new immigrating residents associated with the Peacekeeper Missile project would fill permanent jobs. The analysis assumes that associated construction labor, which peaks in 1985 with 670 workers, would be filled either by local or commuting residents.

RETAIL SALES

The URS-Burger Analysis estimated the increment in retail sales generated by the Peacekeeper Missile. These calculations, presented below in constant FY 1983 dollars show a total increment effect of \$107,450,000 between 1984 and 1992. The 1992 increment [\$4,850,000] is expected to continue indefinitely.

This increase in retail sales implies a permanent additional demand for 39,100 square feet of space, using an average 1983 sales per square foot estimate of \$124. If downtown Cheyenne follows a pattern similar to other metropolitan areas in Wyoming and Colorado, downtown Cheyenne should capture 10 to 20 percent of new, permanent demand or between 3,910 and 7,820 square feet.

LOCAL OPTION SALES TAX REVENUES: CHEYENNE NO ACTION AND PROPOSED ACTION ALTERNATIVES CONSTANT FY 1983 DOLLARS

<u>Fiscal Year</u>	<u>No Action Local Option Sales Tax Revenues</u>	<u>Proposed Action Local Option Sales Tax Revenues</u>	<u>Difference In Sales Tax Revenues</u>	<u>Difference In Sales</u>
1984	\$ 3,682,000	\$ 3,716,000	\$ 34,000	\$ 3,400,000
1985	3,832,500	4,040,500	208,000	20,800,000
1986	3,957,000	4,141,500	184,500	18,450,000
1987	4,088,000	4,283,500	195,500	19,550,000
1988	4,169,000	4,321,500	152,500	15,250,000
1989	4,288,000	4,438,000	150,000	15,000,000
1990	4,417,500	4,470,500	53,000	5,300,000
1991	4,576,500	4,625,000	48,500	4,850,000
1992	<u>4,736,500</u>	<u>4,785,000</u>	<u>48,500</u>	<u>4,850,000</u>
Totals	\$37,747,000	\$38,821,500	\$1,074,500	\$107,450,000

Source: Table 3.5.3-5, Table 3.5.3-33 Final Environmental Planning Technical Report [Socioeconomics], U.S. Air Force, January, 1984.

HOUSING IMPACT

There is an incremental housing demand created by the Peacekeeper Missile development. The URS-Burger report estimates that an additional 133 single-family homes, 9 multi-family units, 262 mobile homes would be needed to accommodate the immigrating households.

Although there is an annual demand for between 53 and 382 motel/camp hotel/motel/campground units, the analysis concludes that existing space is sufficient to accommodate this increase in demand and no new lodging or temporary housing units are needed.

HOUSING DEMAND CREATED BY PEACEKEEPER MISSILE IMPACT CITY OF CHEYENNE

<u>Year and Type of Impact</u>	<u>Single- Family</u>	<u>Multi- Family</u>	<u>Mobile Home</u>	<u>Hotel/Motel/ Campground</u>
1984: Total Project Demand	23	23	24	53
1984: Net Required Supply	0	0	0	0
1985: Total Project Demand	117	106	109	382
1985: Net Required Supply	0	0	47	0
1986: Total Project Demand	265	200	190	190
1986: Net Required Supply	93	6	80	0
1987: Total Project Demand	308	208	207	147
1987: Net Required Supply	40	3	15	0
1988: Total Project Demand	286	183	186	121
1988: Net Required Supply	0	0	120	0
1989: Total Project Demand	277	178	181	99
1989: Net Required Supply	0	0	0	0
Total Required Supply	133	9	262	0

Source: Table 3.5.2-6, Final Environmental Planning Technical Report [Socioeconomics], U.S. Air Force, January, 1984.

FISCAL

The Environmental Planning Technical Report forecasts tight fiscal conditions under baseline conditions. Under the Proposed Action, Peacekeeper Missile impacts are expected to produce \$9,840,000 in additional expenditures, producing a net gain of \$4,910,000 over the impact period.

More than one-half of the projected revenues (\$5,268,507) will be from the State-managed Impact Assistance Program. Approximately \$2,149,000 will be derived from sales tax revenues.